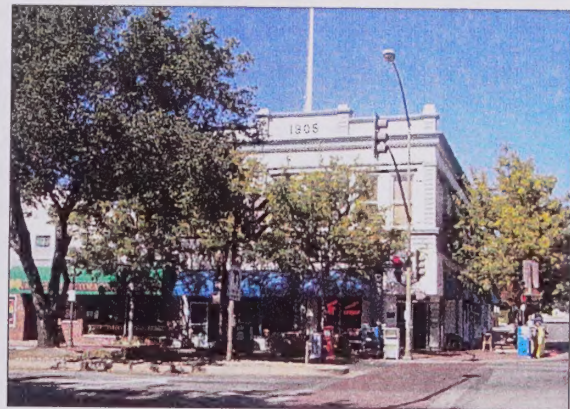




# Morgan Hill General Plan



Updated through July 2006

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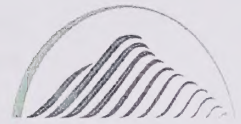
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# Introduction

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## The General Plan Vision

The General Plan envisions Morgan Hill keeping its small-town character while offering new opportunities for businesses and amenities for residents. Agriculture will continue at the outskirts, and new housing for a range of incomes will be accommodated in a variety of locations. Urban land uses will be encouraged around the downtown, and incentives would foster infill development instead of sprawl.

The Plan calls for focusing sub-regional commerce around the freeway, and expanding downtown and neighborhood shopping areas. Efforts to avoid strip malls and concentrate new commercial enterprises around key intersections will help bolster existing businesses and foster new ones. The role of downtown as the community center will be strengthened by improving pedestrian access, adding streetscape amenities, and encouraging uses like restaurants and specialty retail.

To help diversify the local economy, light industry and research and development will be promoted in areas buffered from residential neighborhoods. New industry is hoped to increase employment opportunities and generate revenues.

The Plan foresees preserving the scenic hillsides that surround the city. Enhancing gateways to the city – Madrone, south Monterey Street, freeway interchanges – is also a high priority.

Unfinished street connections would be completed to improve circulation, speed emergency response and reduce traffic congestion. Improvements to roadway landscaping would make driving a more pleasant experience, and uses along major transportation corridors – railroad, highway, busy streets – would be shielded from noise through innovative construction measures.

Commercial design standards would be developed to improve the appearance of the city, and “franchise architecture” would be discouraged.

The Plan anticipates coordinating with regional transportation authorities to relieve traffic impacts on city streets, including by widening the freeway and expanding public transit. A range of additional joint planning efforts will be needed to accommodate anticipated development, including major growth in Coyote Valley and some development in San Martin that could impact Morgan Hill. Accordingly, the Plan incorporates the policies in the South County Joint Area Plan adopted in 1994.

Public projects identified during a community visioning process in 1995 will be implemented. These include a new community and cultural center, a new or expanded public library, an aquatic center, and senior and youth centers. New



park and recreation programs and facilities and bikeways would also foster the sense of community and make the city more accessible.

In short, the overall combination of actions envisioned by the Plan will help Morgan Hill grow and prosper without compromising its historic and enduring rural charm.

## Plan Development

In the fall of 1998, the City appointed a General Plan Task Force to oversee a major revision of the Morgan Hill General Plan. The Task Force – comprised of the Mayor Pro Tempore, one Council Member, three Planning Commissioners, and 14 community residents – conducted numerous public meetings, defined an expanded set of community goals, and prepared proposed updates to the General Plan text and maps that provide detailed discussion of community issues and develop policy direction in response to those issues.

The City hired planning and transportation consultants for technical assistance, including producing a survey of community opinions about planning and development issues. A **Background and Existing Conditions Report** was

produced to document land use and circulation patterns, fiscal and economic conditions, urban design, natural resources and hazards, and public services and facilities.



Several forums were held to identify major planning issues in the community. Initially, the City hosted a Community Workshop in November 1998, where residents were asked to identify what they like and dislike about Morgan Hill, as well as changes they would make within the community.

The community's vision for the future, as established during the forums, includes:

- Maintain the rural atmosphere of the city by retaining agricultural activities and preserving natural wildlife habitat areas surrounding the city.
- Develop an extensive network of trails and parks along local creeks, connecting open spaces and recreation facilities (joint-use park and flood control agreements).
- Ensure the continued vitality of existing commercial centers throughout the community. Prohibit the construction of generic strip malls and eliminate blighted and/or vacant properties along commercial corridors.
- Encourage the development of light industrial activities (support for Silicon Valley industrial firms), but ensure that such industrial uses are buffered from residential buffered from residential neighborhoods.
- Develop new urban land uses concentrically around the existing core area; provide incentives for infill development of urban land uses.



- Improve the city's gateway areas: Madrone district, Monterey Road south of Watsonville Road, and freeway interchanges at Cochrane, Dunne and Tennant Avenues.
- Continue to revitalize and expand the downtown as the activity center for the community.
- Continue working with regional transportation authorities to coordinate traffic management and lessen regional impacts on city roadways. Encourage CalTrans to expand Highway 101 through and north of the city, and expand public transit to and from the city.
- Improve and maintain landscaping and trees along roadways throughout the city.
- Provide employment opportunities with local businesses and industries, and housing choices affordable to those people who work in Morgan Hill.
- Increase community facilities and programs, both educational and recreational. Focus priorities on activities for seniors and youth within the community.

A Community Preferences Survey was distributed to 3,200 households in Morgan Hill. Survey respondents rated the acceptability of different types of development, the importance of several quality-of-life issues, the acceptability of various housing options, and the adequacy of and need for public services and facilities. Major planning preferences identified by the community include the need to/for:

- Increase local shopping opportunities
- Joint planning, especially in light of projected build-out of Coyote Valley and San Martin
- Improvements to community gateways
- Increase local employment and remedy discrepancies between labor force demographics and types of jobs available
- Preserve rural character, open space, creeks and hillsides
- Improve architecture and design of commercial uses, especially along the freeway
- Increase residential architectural diversity
- Provide detached single family housing
- Mitigate noise impacts of major transportation corridors (railroad, highway, arterials)
- Reduce regional traffic congestion and complete unfinished roadway connections
- Expand parks and recreation facilities and programs
- Ensure the fiscal viability of City government

## Key Planning Considerations

In 1980 the City adopted the Downtown Design Plan. The Plan includes specific recommendations for land use and design of public and private projects in the area bounded by Main Avenue on the north, Dunne Avenue on the south,



the railroad tracks on the east and Peak Avenue on the west. Many of the projects recommended by the plan (including parking lots, streetscape improvements and private development projects) have been implemented. Other aspects of the Plan are out of date or otherwise not feasible.

In 1977, Morgan Hill first adopted the **Residential Development Control System** (RDCS) through voter initiative Measure E. An amended version of this growth management system, Measure P, was approved by voters in 1990 to extend through 2010. In 2004, the voters approved Measure C, amending and extending the Residential Development Control System through the year 2020. A part of the General Plan, the RDCS regulates growth by limiting the number of new homes approved each year. The RDCS directs that the City shall not apply to LAFCO to expand the Urban Service Area (except for projects determined to be "desirable infill") until less than a five-year supply of buildable residential land remains, nor shall the City grant new extensions of urban services for residences beyond the Urban Service Area.

New residential development proposals are subject to a two-part rating system, with those proposals earning the highest number of points receiving development allotments. Part 1 awards points for a proposed project's relation to and impact on local public facilities and services, while Part 2 allots additional points for such factors as the provision and design quality of parks and open space, public facilities, architectural and site features, and affordable housing units.

Measure C requires the basic RDCS provisions to be included in the General Plan; they appear in the Land Use Section of the **Community Development Element**. These provisions cannot be amended, except by another public vote. Measure C is approved through 2020, this General Plan assumes that the maximum construction rate under Measure C of about 250 units per year will continue through 2020.

The General Plan incorporates the policies of the **South County Joint Area Plan** (as amended through 1994), as noted in each element with parenthetical references to specific Joint Area Plan sections. The plan was adopted in 1989 to achieve harmony and cooperation among the City of Morgan Hill, the City of Gilroy and Santa Clara County, and consistency among their adopted policies regarding community development and environmental management. The City and its partners have agreed that many of these policies need to be updated, some because they are no longer applicable due to recent changes in State law.

## Goals, Policies and Actions

The goals, policies and actions contained in each element of the General Plan together frame a mechanism for achieving the community's vision for its future. A review of the goals offers a summary of how development and future growth must be directed to achieve the community vision. Each **goal** identifies a physical, economic and/or social end that the community wishes to achieve.

Under each General Plan goal are a number of **policies** that establish basic courses of action that the Planning Commission and City Council will follow in working to achieve community goals. Policies are used directly to guide the



response of elected and appointed officials to development proposals and related community actions.

Although each General Plan goal requires specific policies, not every policy requires new **action** to carry out that policy. Many policies – especially those that continue the direction of the General Plan (as most recently updated) and the South County Joint Area Plan, already are being implemented. Policies that are complete show no associated actions.

## Organization and Content

The Morgan Hill General Plan is organized into eight sections, including six updated elements that contain issue, goal and policy discussions to satisfy legal requirements (see *Table 1*). The Housing Element, last updated in 1990, is scheduled for updating in 2001.

- **Introduction** – summarizes the General Plan and its goals, the community's Vision for its future. Includes a profile and history of the city, major planning issues, and regional context.
- **Community Development Element** – includes sections addressing development patterns, residential neighborhoods, community character, recreation and public facilities.
- **Economic Development Element** – includes sections addressing commercial and industrial land uses, jobs/housing balance, and tourism.
- **Circulation Element** - includes sections addressing traffic, street network, parking, transit services and bike routes.
- **Open Space and Conservation Element** - includes sections addressing open space, hillside development, greenbelts, agriculture and historic resources.
- **Public Health and Safety Element** – includes sections addressing development in hazardous areas, hazardous waste management, seismicity, flood control, water quality, and noise.
- **Regional Coordination Element** – includes sections addressing urban growth, jobs/housing balance, San Martin, Coyote Valley, future joint planning, and long-term urban growth boundary.
- **Housing Element** – scheduled for update in 2001.

Table 1. General Plan Elements

Morgan Hill GP Elements	Required GP Elements	Examples of Topics Covered
Community Development	Land Use	development patterns, residential neighborhoods, community character, recreation, public facilities
Economic Development	<i>optional</i>	commercial and industrial land uses, economic diversification, job opportunities, tourism
Circulation	Circulation	traffic, street network, parking, transit services, bike routes
Open Space and Conservation	Conservation, Open Space	open space, hillside development, riparian areas, endangered plants and animals, greenbelt, agriculture, historic resources
Public Health and Safety	Noise, Safety	development in hazardous areas, hazardous waste management, seismicity, flood control, water quality, noise
Regional Coordination	<i>Optional</i>	urban growth, phasing of development, San Martin and Coyote Valley, future joint planning, long-term urban growth boundary
Housing	Housing	<i>scheduled for 2001 update</i>

## General Plan Requirements

The California Constitution allows cities to regulate land use planning, zoning, subdivision and building on private property to promote the health, safety and welfare of the general public. State law requires each city to prepare and adopt a "comprehensive, long-term General Plan for the physical development" of the community. Intended to guide local decision-making regarding future growth, the General Plan expresses community goals about the future distribution and character of land uses and activities, both public and private.

The plan should be comprehensive, by both covering the local jurisdiction's entire planning area and addressing the broad range of issues facing the community, including physical, social, aesthetic and economic concerns. The General Plan must also be internally consistent, bearing no policy conflicts between the elements, both required and optional. Finally, the General Plan must be a long-term document, establishing development policies to serve as the basis for day-to-day land use decision-making within an approximate 20-year time frame.

Because planning and development issues do not follow political boundaries, the law provides for including in the General Plan "any land outside its boundaries which, in the planning agency's judgment, bears relation to its planning." The Morgan Hill General Plan covers the incorporated area of the city and the City's Sphere of Influence. Established by the County Local Agency Formation Commission (LAFCO), the Sphere of Influence denotes an area under Santa Clara County jurisdiction where the City has a shared concern regarding land use and development. Within the Sphere of Influence lie the City's Urban Growth Boundary – where urban land uses are anticipated in the next 20 years, and the



Urban Services Area – where the City expects to provide essential services within the near future, such as water, sewer and law enforcement.

The General Plan must include policies for each of the following elements:

- **Land use**, designating the general distribution and intensity of land uses, including housing, business, industry, open space, education, and public facilities, etc.
- **Circulation**, identifying the general location and nature of existing and proposed highways, arterial and collector roadways, transit terminals, and other transportation facilities.
- **Conservation**, addressing the conservation and use of natural and cultural resources, including wetlands, forests, rivers, archeological remnants, and historic structures.
- **Housing**, assessing the current and projected housing needs of all segments of the community and identifying land to provide adequate housing to meet such needs.
- **Noise**, identifying and appraising the noise sources within the community and developing ways to mitigate such nuisances.
- **Open Space**, detailing techniques for preserving open space areas for natural resources, outdoor recreation, public health and safety, and agricultural activities.
- **Safety**, establishing policies to protect the community from risks associated with seismic, geologic, flood, and fire hazards.

Recent Morgan Hill General Plan updates focused on land use and circulation (1990), housing (1992) and the City's Urban Growth Boundary (1996).

## Glossary

### Action

A specific activity or task designed to carry out a policy.

### Arterial

A roadway that typically accommodates 10,000-40,000 intra-community and highway access vehicle trips daily at speeds of 30-40 mph. Access to arterials is preferred via collector and local streets, but direct access to adjoining parcels is common.

### Capital Improvements Program

A program, administered by City government and reviewed by the Planning Commission, that schedules permanent physical improvements five or six years into the future.

**Collector**

A street that typically accommodates 5,000-20,000 vehicle trips daily at speeds of 25-30 mph within and between neighborhoods. Collectors are intended to distribute trips from local streets to arterials.

**Compatible**

Capable of existing together without conflict or ill effects.

**Density**

The average number of people or residential dwelling units per acre, including land needed for streets.

**Downtown**

The commercial area around Monterey Road from Main Avenue to Dunne Avenue, and from Del Monte Avenue to Depot Street.

**Dwelling Unit**

A room or group of rooms (including sleeping, eating, cooking and sanitation facilities, but not more than one kitchen) that constitutes an independent housekeeping unit, occupied or intended for occupancy by one household on a long-term basis.

**Goal**

An ultimate end toward which effort is directed. A goal is general, long-term and not usually achievable within the General Plan time frame.

**General Plan**

An expression in words and maps of City policy regarding future development based on the needs and desires of its citizens. It sets forth development guidelines needed to achieve social, economic and environmental goals. The General Plan is the official document governing City Council, Planning Commission and administrative decisions regarding zoning, subdivision and public improvements.

**Greenbelt**

The purpose of areas shown as "Greenbelt" on the Greenbelt Diagram is to help physically define the City in terms of distinguishing between rural and urban character, to identify areas where the City and County intend to focus efforts to minimize the impacts of rural development, and to identify selected locations where acquisition of open space easements or land in fee title will be pursued by the City or other public agencies. The Greenbelt includes public spaces and private properties that have importance for one or more environmental reasons, including visual prominence, earthquake hazard-related limitations, and steep slopes. The Greenbelt areas are non-urban lands which are located primarily in the unincorporated County area, outside of the City. Identification as Greenbelt does not change the development potential or restrictions imposed under applicable Santa Clara County or City development policies and regulations.

**Infill**

Development of vacant land in areas largely already developed.



**Infrastructure**

Public services and facilities such as roads, sewage treatment and water supply systems, and other utilities.

**Local Agency Formation Commission (LAFCO)**

A County body that reviews and evaluates all proposals for formation of special districts, incorporation of cities, consolidation of districts, mergers of districts and cities, certain annexations to cities, and urban growth boundaries and urban service areas.

**Minimize**

To reduce or lessen, but not necessarily to eliminate.

**Mitigate**

To ameliorate, alleviate or avoid to the extent reasonably feasible.

**Noise Contour**

A map line connecting points of equal noise level.

**Open Space**

An area of land or water that is essentially unimproved and devoted to 1) preservation of natural resources, 2) managed production of resources, 3) outdoor recreation, or 4) public health and safety.

**Park and Recreation Facilities**

All land in City-owned trails, parks, and special use facilities (including community, senior, youth and aquatic centers), in school or County-owned recreational facilities with a joint-use agreement for City use; plus half of all recreational land controlled by homeowner associations, and ten percent of recreational open space, as defined in the Parks, Facilities and Recreation Programming Master Plan.

**Policy**

A settled course of action that, when adopted, is an official statement of City intent.

**Sphere of Influence (SOI)**

The possible ultimate physical boundaries, service area or area of influence of the City, as determined by LAFCO. Not all land within the Sphere of Influence is intended for future urbanization. Some areas within the Sphere may receive some, but not full urban services, by the City. All land within the Sphere bears relation to the City's planning activities.

**Standard**

An established rule or measurement that defines required or desirable performance or relationships.

**Sub-regional**

Pertaining to or serving a portion of a region larger than any one city.

### **Urban Growth Boundary**

An officially adopted and mapped line dividing land to be developed from land to be protected for natural or rural uses, including agriculture. UGBs are regulatory tools, often designated for 20 or more years to provide greater certainty for both development and conservation goals.

### **Urban Limit Line**

The Urban Limit Line (ULL) separates urban and future urban areas from rural areas. The ULL is a longer-term version of the Urban Growth Boundary (UGB) and is intended to reflect the City's long term policy for growth of Morgan Hill, beyond the twenty-year timeframe of the UGB. The purpose of an ULL is to encourage more efficient growth patterns, minimize public costs, and protect environmental resources. Some, but not all, of the land outside the ULL has been identified as Greenbelt.

### **Urban Service Area**

The area within the Urban Growth Boundary where utilities such as gas, water, sewer, and electricity, and public services such as police, fire, schools, and parks and recreation are and will be provided.

### **Zoning**

Division of the city into areas for which allowable uses and building limitations are specified.



## City Profile

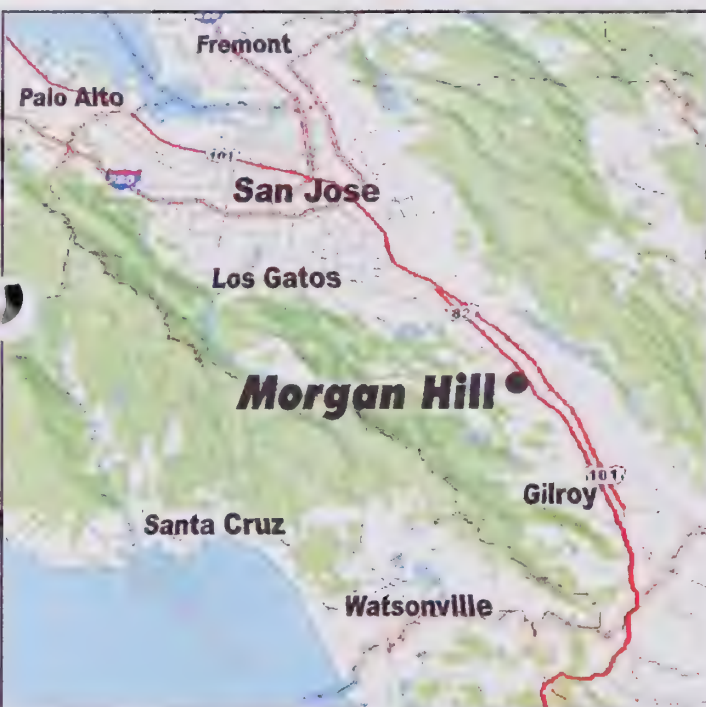
Morgan Hill lies about 20 miles south of downtown San Jose along U.S. Highway 101 in southern Santa Clara County. The city is set in a valley formed by the foothills of the Santa Cruz Mountains to the west, and the Mount Hamilton Range to the east. Historically an agricultural community, Morgan Hill has grown into a small city with a quaint downtown and high-quality residential neighborhoods. Open hillside areas, numerous creeks, and surrounding agriculture create a feeling of rural open space within the city.

Monterey Road, the major north-south arterial, served as Highway 101 for many years and remains the city's major commercial corridor. (Although it is formally mapped as Monterey "Street" in the city, locals refer to the historic thoroughfare as Monterey "Road.") Over the last two decades, the downtown has been revitalized and expanded along Monterey Road, between Main Street and Dunne Avenue. Significant streetscape and façade improvements and amenities have

made the downtown a more pedestrian-friendly core, with community events, such as holiday parades, concerts and a farmers market, utilizing the downtown as a center of activities.

Although a diverse mix of retail, service, and office uses exist along Monterey Road, there are also a number of vacant and underutilized parcels. Visitor-serving and sub-regional commercial activity has built up around two of the three freeway interchanges about a mile east.

Small high-tech support firms and manufacturing plants comprise a majority of the industrial land uses in Morgan Hill, which have historically been located along the railroad tracks in the city, between Monterey Road and Highway



Regional Location

101. Several industrial parks, including the 400-acre Morgan Hill Ranch along Cochrane Road, are currently under development.

The voter-approved Residential Development Control System (RDCS) allows a limited number of homes to be built each year, according to a point system based on a variety of factors, including provision of public services, site planning, and architectural design considerations. High-quality residential neighborhoods have resulted from the process. Small pocket parks, natural creek channels, and detention ponds are scattered throughout the city's residential areas.

Agricultural use continues in the lands surrounding the city. Large-lot ranch homes, natural open space parcels, and minimally developed hillsides also contribute to the community's rural character. The City plans to preserve those open space and agricultural lands to maintain this rural atmosphere.

## City History

Situated in the southern Santa Clara Valley, the land where the City of Morgan Hill currently exists was first inhabited by Native Americans known as the Ohlone (Costanoan). Spanish colonists began arriving in the west central region of California in 1769, and among the earliest settlements were a presidio and mission at Monterey (1770) and a mission and civilian town at Santa Clara (1777). The road connecting these two missions survives today as Monterey Street.

Between the 1820s and 1840s, Mission Santa Clara lands were partitioned into private ranchos. Morgan Hill lies within the historic boundaries of the 9,000 acre Rancho Ojo de Agua de la Coche, granted in 1835 to Juan Maria Hernandez, and purchased by Martin Murphy Sr., an Irish-born pioneer, in 1845. The first settlements in the southern Santa Clara Valley were established in the 1850s along Monterey Road, largely in response to the Gold Rush in the San Francisco Bay region. Among the earliest permanent buildings were inns, livery stables, and blacksmith shops, centered on the intersection of Peebles Avenue and Monterey Road.

Santa Clara County ranked as one of the region's earliest and most productive agricultural centers, famed for its grains, fruits, and vegetables. Cattle ranches in the southern Santa Clara Valley were replaced by diversified agriculture in the 1860s and 1870s, including the cultivation of apricots, peaches, prunes, pears, cherries, grapes, walnuts, almonds, olives, garlic, and tomatoes. By the 1870s, the Madrone village boasted a hotel, general store, livery stable, post office, school, and church along with its stagecoach stop. The Santa Clara & Pajaro Valley Railroad opened its first rail line through the area, from San Jose to Gilroy, in 1869.

In 1882, approximately 4,500 acres of the old Rancho Ojo de Agua de la Coche was passed down to Diana Murphy (granddaughter of Martin Murphy Sr.). That same year, she married Hiram Morgan Hill, a San Francisco socialite. Morgan and Diana Hill entertained lavishly, and trains would often stop at the ranch to let off guests. The stop became known informally as "Morgan Hill." In 1892, the Hills retained the C.H. Phillips Land Company of San Jose to act as agents for the subdivision and sale of Morgan Hill Ranch. The property was disposed of in parcels ranging in size





from five acres to 100 acres, and a downtown and new train station were established under the name "Morgan Hill."

The town developed rapidly in the 1890s, streets were improved, and a water system was installed. A post office was established in 1893, and a newspaper began publication in 1894. By the turn of the century, the thriving village contained dozens of houses, three churches, a schoolhouse, a commercial district with two hotels and three general stores, and a small industrial enclave near the railroad with a cannery and fruit-packing plant. Monterey Road and Main Street served as the major north-south and east-west axes of the town. Morgan Hill was incorporated in 1906, with a population of about 600. The town of Morgan Hill grew slowly over the next few decades, numbering about 1,000 residents in 1940.

Following World War II, the Santa Clara Valley sustained rapid growth as agricultural lands gave way to residential, commercial and industrial development. In 1950, Morgan Hill had 1,600 residents; however, land annexation and residential subdivision development since then has brought thousands more residents to the area. Monterey Road continued to be developed as the city's major commercial corridor, while industrial activity continued along the railroad tracks.

With the opening of U.S. Highway 101 in the late 1970s, southern Santa Clara County became more attractive to suburban commuters. By then, the city's population reached 17,000, residents and growth has remained steady over the last two decades due to adoption of the Residential Development Control System. Increased traffic along Highway 101 has led to highway commercial activity at the interchanges, and a large industrial park was developed in the northern portion of the city. Residential subdivision activity has continued, and estimates place the city population at 33,092 in 2000.

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# Community Development

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The Community Development element discusses land use, community character and public facilities. It contains goals and policies intended to ensure that Morgan Hill retains its rural atmosphere while accommodating sensible, orderly growth that will promote the local economy and fit within the City's ability to provide adequate public services. Such growth will include increased residential and commercial development, as well as an influx of new industrial uses, that together will result in a variety of uses with minimum conflict and maximum protection of the community's quality of life.

## Community Development Goals

1. An effective and efficient planning and decision-making process
2. An orderly and efficient pattern of urban development
3. A long-term urban growth boundary (UGB) around the city
4. Efficient and appropriate development of land within the UGB
5. Preservation of agricultural and open space uses on unincorporated lands outside the UGB
6. Avoidance of incompatible land uses and conflicting activities
7. A variety of housing types and densities available to all residents
8. Distinct, well-designed residential neighborhoods
9. Sufficient and concentrated commercial uses
10. Sub-regional retail at freeway interchanges
11. Adequate land for industrial development
12. A visually attractive urban environment
13. A vibrant, identifiable downtown
14. Distinct, attractive gateways to the community
15. Appropriate transition between urban land uses and surrounding undeveloped areas
16. An urban level of services and facilities
17. Efficient police, fire and emergency medical response and services
18. Useful, accessible and high-quality park, recreation and trail facilities and programs
19. Coordinated urban and school development
20. Efficient wastewater treatment
21. Effective management of water resources
22. Minimal local drainage problems

## Land Use Diagram

The Community Development Element designates the general distribution of land uses, including housing, business, industry, open space and public facilities within the city's Sphere of Influence. *Map 1* divides Morgan Hill into a series of residential and non-residential land use designations, and *Map 2* shows designation boundaries in detail for the Monterey Road corridor. These designations identify the locations in the city where specific types of land uses may occur. While the designations are implemented (carried out on a day-to-day

basis) by the specific rules provided for each zoning district in the City's Zoning Ordinance, the General Plan provides the overall parameters of density and intensity for urban land use designations, as shown in *Table 2*.

**Density** refers to the number of dwelling units allowed per gross acre of land (prior to dedications for streets and other improvements). **Intensity** of land use is expressed in two ways – type of use and building mass – both of which are described broadly in *Table 2*. The types of land uses allowed in each designation are described here in general terms; the Zoning Ordinance provides detailed lists of specific allowable uses. In addition to the primary land uses appropriate in each designation, the Zoning Ordinance may allow secondary uses that are related to and compatible with the primary uses.

**+Table 2. Urban Land Use Designation**

Land Use Designations	Acres	Primary Uses	Density Range	Minimum Lot Area	Maximum Building Coverage	Maximum Building Height
Residential Estate	1,216	Detached homes	<1 unit/acre	40,000 sf	30%	30 feet
Single Family Low	1,279	Detached homes	1-3 units/acre	12,000 sf	40%	30 feet
Single Family Medium	1,801	Detached homes	3-5 units/acre	7,000 sf	50%	30 feet
Multi-Family Low	531	Detached and attached homes	5-14 units/acre	6,000 sf	50%	30 feet
Multi-Family Medium	171	Attached homes	14-21 units/acre	6,000 sf	60%	30 feet
Multi-Family High	7	Attached homes	21-40 units/acre	6,000 sf	60%	48 feet
Commercial Non-Retail	454	Retail, office, services	N/A	20,000 sf	50%	30 feet
Commercial General	36	Offices, services	N/A	6,000 sf	50%	35 feet
Commercial Mixed Use	24	Retail, office, services	N/A	10,000 sf	50%	35 feet
	50	Attached homes mixed with retail, office, services	8-18 units/acre Opportunity Sites 25-40 units/acre	(Commercial) 10,000 sf (Residential) 6,000 sf	60%	Com. 35 feet Res. 48 feet
Industrial	1,112	Warehouse, offices, manufacturing	N/A	20,000 sf	60%	50 feet
Office Industrial	26	Offices, R&D, wholesale	N/A	20,000 sf	50%	50 feet
Campus Industrial	18	High-tech, R&D	N/A	20 acres	20%	35 feet
Public Facilities	253	Publicly owned	N/A	N/A	50%	35 feet

The city is characterized by semi-rural areas with residential and agricultural uses, residential neighborhoods, commercial areas, and roadway corridors where residential and non-residential uses are mixed. The land use goals and policies of the General Plan are oriented toward maintaining the distinct neighborhoods and



the downtown – recognizing them as vital in determining community character, while providing new opportunities for businesses that provide quality jobs and needed goods and services. Higher-intensity uses are intended to be concentrated near major intersections, with the land uses in surrounding areas becoming progressively less intense as the distance from those commercial nodes increases.

The following paragraphs describe how the General Plan divides Morgan Hill into areas designated for different types of land use.

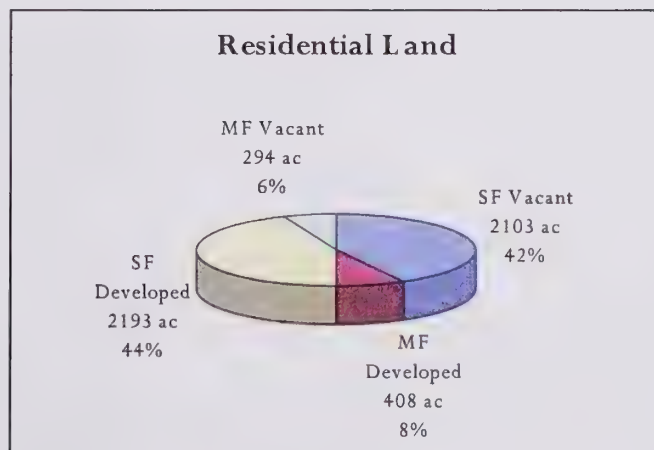
## Rural Designations

*Rural County.* This designation applies to 8,088 acres outside the city limit in the Sphere of Influence. Lots with the Rural County designation generally are 5-20 acres with one single family home and/or agricultural operation per parcel. Five acres is generally the minimum acceptable lot size for new development.

*Open Space.* Public parks and private golf courses account for most of the 2,476 acres of Open Space designation in the city and Sphere of Influence. These areas generally are intended to remain free of development, except for one single-family home on each lot of at least five acres on slopes less than 20 percent. Land designated Open Space is meant to remain unimproved and devoted to preservation of natural resources, managed production of resources, outdoor recreation, or public health and safety. Several key pieces of Open Space complement adjacent, higher density residential and commercial development. Measure C requires lands within the City that are designated “Open Space” on the City’s General Plan Land Use/Circulation Elements Map, as amended through November 19, 2003, are reaffirmed and readopted through fiscal year 2019/2020. This provision shall not prevent the City Council from designating additional lands as open space.

## Residential Designations

*Residential Estate.* This designation, which applies to 1,216 acres, is intended to promote and encourage a suitable environment for family living on relatively large parcels of land. Concentrated along the western and southern city borders, the Residential Estate designation limits uses to single family homes, appropriate agricultural uses, and appurtenant community services and facilities. One acre is generally the minimum acceptable parcel size for new development.



*Single Family Low.* The Single Family Low designation covers 1,279 acres of the city and is intended to accommodate families in suburban single family homes on medium-sized parcels. The highest concentrations of the Single Family Low designation are at the eastern city limit, especially near Anderson Reservoir. The minimum acceptable parcel size for new development is generally ¼-acre.

*Single Family Medium.* Single Family Medium areas totaling 1,801 acres are dispersed throughout the city, often providing a transition from non-residential areas to lower-density neighborhoods. The largest areas with this designation are centered around East Dunne Avenue, and West Main Avenue between U.S. 101 and the railroad. This designation allows as many as five dwelling units per acre.

*Multi-Family Low.* Applied to 531 acres, the Multi-Family Low designation is meant to accommodate both attached and detached dwellings in residential neighborhoods. Multi-Family Low areas generally are located close to commercial corridors, including West Dunne Avenue and Monterey Road.

*Multi-Family Medium.* Pockets of Multi-Family Medium, the highest-density residential designation, account for 171 acres primarily centered around the downtown area. Frequently found near commercial areas that in part serve the adjacent residents, this designation accommodates as many as 21 dwelling units per acre, most of which are attached apartments or condominiums.

*Multi-Family High.* Pockets of Multi-Family High, the highest-density residential designation, accounts for 6.49 acres primarily centered around the downtown area and the commuter rail station. Development within this area shall be supportive of transit oriented design (e.g., development intensity, pedestrian orientation and linkages, parking placement and design, development concentrations, etc.) this designation may accommodate as many as 35 dwelling units per acre most of which would be attached apartments or condominiums.

*Mixed Use.* Applied in accordance with the Downtown Plan, this designation covers 68 acres of smaller parcels with the downtown area. It is intended to encourage a mixture of commercial and residential uses. The mixed use designation allows for as many as 8 to 18 dwellings units per acre with the exception of three opportunity sites which are defined as follows:

The “Sunsweet Opportunity Site” which encompasses APN’s 726-13-032, 033, 034, 041, 042, 043 & 044 shall be designed as a single Planned Unit Development, showing relationship between development and parking areas, with development to occur at a density of 25-40 dwelling units per acre for the area within a mixed use project site (exclusive of APNs 726-13-034 & 726-13-041, and areas designed for public parking).

The “Dunne Ave. PUD” which encompasses APN’s 726-04-003, 006, 007, 008, 011 & 012. Each of which shall develop at a density of 25-40 du/ac, only as part of single Planned Unit Development.

The parking lot area for the Downtown Mall which encompasses APN’s 726-14-025, 026 & 03, shall develop at a density of 25-40 du/ac, only as part of a single Planned Unit Development.

### **Non-Residential Designations**

*Commercial.* The Commercial designation, which accounts for 454 acres primarily along arterial roadways west of U.S. 101 and along the eastern freeway frontage, is intended to allow a wide range of retail businesses, office uses and professional services. The largest concentrations are found along Monterey Road



and at the freeway interchanges, where retail stores are emphasized. The Service Commercial overlay along Monterey Road north of Wright Avenue allows auto-related uses, except for sales.

*Non-Retail Commercial.* This designation applies to 36 acres along Monterey Road between Llagas Road and Tennant Avenue. The Non-Retail Commercial designation is intended to focus service and office uses away from major intersections where the Commercial designation encourages higher traffic generating retail uses. It also accommodates mixed-use development (residences above shops) to help create a market for local stores and a neighborhood atmosphere in the downtown.

*General Commercial.* This designation accounts for 24 acres of the Morgan Hill Business Ranch on the south side of Cochrane Road at the freeway. The General Commercial designation is intended to allow a variety of commercial uses. (The designation was established by voter initiative and cannot be changed without a public vote.)

List continues on page 22







## CITY OF MORGAN HILL

### General Plan Land Use Diagram\*\*

- Rural County
- Open Space
- Residential Estate 0-1 du/ac
- Single Family Low 1-3 du/ac
- Single Family Medium 3-5 du/ac
- Multi-Family Low 5-14 du/ac
- Multi-Family Medium 14-21 du/ac
- Multi-Family High 21-40 du/ac
- Commercial
- General Commercial\* (see Action CD-9.3)
- Non-Retail Commercial
- Mixed Use 8-18 du/ac
- Industrial
- Office Industrial
- Campus Industrial
- Public Facilities
- Hillside Overlay

Park (general location where needed)

School (general location where needed)

Sub-Regional Commercial Site  
(See Action CD-10.1)

Parcels

City Boundary

Sphere of Influence

Urban Limit Line

Urban Growth Boundary

Arterial Streets

Collector Streets

0 1,000 2,000 4,000  
1 inch = 1,650 ft  
(Original Map Size 36" x 24")



**Notes:**  
\*The General Commercial category, location, and allowed uses were established by voter initiative and cannot be reduced without voter approval.

\*\*Serves as the Land Use/Circulation Elements map as described in the Measure C ballot measure.

This map was produced by the City of Morgan Hill Community Development Department. The data was collected from a variety of reliable sources. However, the City of Morgan Hill makes no representation as to its accuracy and disclaims any liability to persons who may rely upon it.

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Adopted July 25, 2001 Revised January 23, 2008





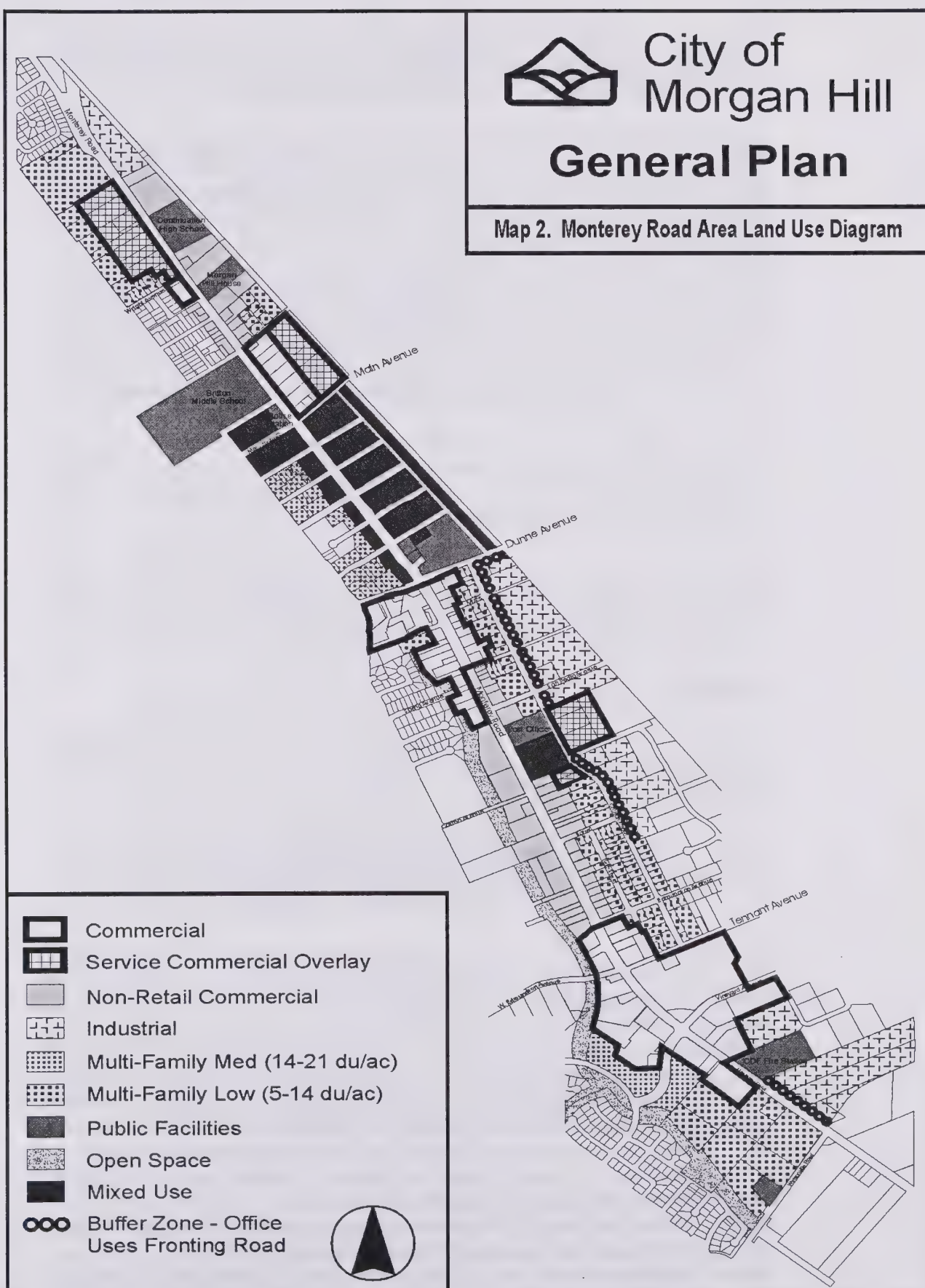




# City of Morgan Hill

# General Plan

### Map 2. Monterey Road Area Land Use Diagram



*Mixed Use.* Applied in accordance with the Downtown Design Plan, this designation covers 68 acres of smaller parcels in the downtown area. It is intended to encourage a mixture of retail uses and residences.

*Industrial.* The Industrial designation accounts for 1,112 acres within the Urban Growth Boundary, including 350 acres of newly designated land, much of which was previously designated for residential uses. A variety of existing and potential research, warehouse, manufacturing, service commercial and other uses are accommodated under this designation.

*Office Industrial.* Two areas of Office Industrial designation cover 26 acres along U.S. 101 near the Dunne Avenue interchange. These areas are intended to promote administrative and executive office uses, including experimental and engineering laboratories devoted exclusively to basic research and development (provided they meet certain standards for handling of any hazardous materials).

*Campus Industrial.* The Campus Industrial designation applies to 18 acres northwest of the Tennant Avenue interchange, where clean industry such as high-technology and medical services are encouraged to locate in park-like settings that contain large areas of landscaping.

*Public Facilities.* The 253 acres designated for Public Facilities is comprised of land used by the City, service providers (including emergency medical, hospitals and utility companies) and the Morgan Hill Unified School District. The General Plan does not anticipate any changes to this designation.

## Land Use Decisions

Encouraging future growth to occur in and around existing developed areas of the city will increase the likelihood that a high level of services and amenities will be available for residents and visitors.

### Goal 1. An effective and efficient planning and decision-making process

#### Policies

- 1a. Ensure that City decisions regarding planning are reached in a comprehensive, coordinated manner.

#### Actions

- 1.1 Amend City ordinances, programs and plans (e.g., zoning, parking, capital improvements) to conform to amendments or revisions to the policies of the Community Development Element.
- 1.2 Develop a comprehensive municipal service and capital improvement program for 5- and 20-year time periods. Detailed service and utility planning shall be done for a 5-year time span.
- 1.3 Review the General Plan annually to determine what progress is being made toward achieving the Plan's goals and policies.
- 1.4 Schedule General Plan updates to coincide with U.S. Census data updates.



- 1.5 work with other governmental agencies to reach consensual and coordinated approach to future community development tasks (also see Regional Coordination Element).

## Development Patterns

Of the approximately 21,700 acres within the Morgan Hill planning area (17,527 of which are contained in parcels), less than 3,400 acres are developed with residential, commercial or industrial uses. The General Plan provides for an additional 3,400 acres of urban development. Development is expected to follow the existing land use pattern and expand into new areas where growth is most likely to create the desired community. *Maps 1* and *2* show locations planned for urban uses.

### Goal 2. An orderly and efficient pattern of development

#### Policies

- 2a. Encourage the orderly development of the city, with concentric growth and infill of existing developed areas.
- 2b. Ensure that facility/service standards can be met for new development by the time of occupancy.
- 2c. Consider land within or adjacent to the city as available for urban development only when it is included within the Urban Service Area and Urban Growth Boundary and can be developed in a manner that will be cost-effective to the City.
- 2d. Plan for the needs of all socioeconomic segments of the community, encouraging self-sufficiency in jobs and housing within the city.

#### Actions

- 2.1 Use the current Urban Service Area and Urban Growth boundaries to identify future urban development areas based on adequacy and availability of municipal services.
- 2.2 Include enough land within the Urban Service Area to provide for a minimum of 5 years of urban growth; review and modify the Urban Service Area boundaries as needed.

## Urban Growth Boundary (UGB)

In 1996 the City Council adopted a long-term Urban Growth Boundary (UGB), which differentiates land within the Sphere of Influence intended for future urbanization from land intended to remain rural and unincorporated for the next 20 years. Prior to urbanization, large-parcel uses, including farming, are encouraged on land inside the UGB but outside the city. Existing and limited new rural residential uses as well as agricultural and open space uses are appropriate for lands outside of the UGB.

The Urban Limit Line (ULL) was established as part of the Urban Limit Line/Greenbelt Study and includes lands which may be needed for City growth beyond the next 20 years. Establishment of this line was necessary to ensure that areas which are planned to be come part of the City's Greenbelt will not be needed for future City growth. Some, but not all, of the land outside the ULL has been identified as "Greenbelt" areas. There is no timeline for adding

unincorporated land that is inside the ULL to the City. Some unincorporated land may not be added to the City for more than three decades. The Greenbelt is described in the Greenbelt section of the Open Space and Conservation Element and in the Community Development Element.

### **Goal 3. A long-term Urban Growth Boundary and Urban Limit Line around the city**

#### **Policies**

- 3a. The Urban Growth Boundary (UGB) should be maintained for the City of Morgan Hill, in order to: a) identify lands within the Morgan Hill Urban Limit Line which are intended for urbanization in the future; b) provide greater stability of future land use patterns than is currently provided by the existing "short term" urban service area (USA) boundaries; c) indicate the preferred extent and direction of the city's future urban expansion and capital improvements planning, consistent with the city General Plan; d) encourage compact and concentric urban growth and development; e) promote fiscal responsibility, cost-effective service delivery, and the City's ability to plan for and adequately maintain urban services over time; f) provide for an adequate land supply necessary for sustainable economic growth; g) compensate for the impacts of the city's historical patterns of urban growth; h) achieve greater compatibility of land use planning and decision-making for lands of mutual interest to the City and County; and i) provide additional certainty to rural landowners needed for purposes of planning investments and maintaining viable agricultural operations.
- 3b. Allow Urban Service Area expansions only within the long-term UGB and for lands with urban designations; the timing and extent of Urban Service Area expansion shall remain consistent with established Urban Service Area expansion policies and ordinances. (Note: Residential Estate and Single Family Low lands outside the UGB south of Watsonville Road are anticipated to provide needed residential development beyond the timeframe of this General Plan update.)
- 3c. Include developed unincorporated lands in the UGB when they provide for a logical extension of the boundary and are consistent with established planning criteria, findings, or prerequisites.
- 3d. Establish and maintain an Urban Limit Line (ULL) around the City to serve as a longer term version of the Urban Growth Boundary and define the inner limits of potential Greenbelt areas.
- 3e. The Urban Limit Line should be continuous around the City and located outside of or coterminous with the city limits and Urban Growth Boundary. Greenbelt areas should be located outside of the ULL. The ULL may be located within the city limits so that parks or other incorporated, City-designated open space land at the fringe of the community may be included within the Greenbelt.

#### **Actions**

- 3.1 Maintain a long-term urban growth boundary.
- 3.2 County staff and decision-makers shall have adequate opportunity to participate in the evaluation of proposals to modify the city's UGB – the relative level of participation to be in keeping with the geographic scale or impact of the proposed UGB changes (i.e, major revisions imply more



- significant role for joint City/County coordination; very minor or insignificant modifications would imply a potentially less significant role for joint City/County coordination).
- 3.3 Establish explicit, objective planning criteria, findings, or prerequisites for considering proposals to modify the UGB location, which are reasonable and consistent with the goals, precedent, and spirit of the current South County Joint Area Plan. These may include but are not limited to standards for adequate land supply reserves, availability and levels of urban services, consistency with circulation and other plan elements, demographic projections, and resource conservation criteria.
  - 3.4 Evaluate future proposals to modify the UGB according to established criteria, findings or prerequisites, such as the need to maintain a 20-year supply on average of available land for accommodating projected growth. The determination of the amount of land needed for a 20-year supply should be based on past and assumed rates of growth and take into consideration changes in development practices including Smart Growth principles. The UGB should only be expanded for those general land use categories (i.e. residential, commercial, industrial) for which less than a 20-year supply remains. Do not reconsider the UGB location more frequently than in conjunction with a comprehensive City General Plan Update every 10 years or so. Revaluation of the UGB location may be necessary in conjunction with implementation of Phase 2 of the Urban Limit Line/Greenbelt Study regarding land use in the Southeast Quadrant.
  - 3.5 Require consistency of all future proposals to modify the UGB with applicable policies of the City's and County's General Plan, particularly concerning Countywide urban growth management.
  - 3.6 Upon completion of the Industrial Lands Market Study and/or planning for long-term use of the area east of Highway 101 and south of San Pedro (the Southeast Quadrant), determine the appropriate location for the Urban Limit Line in that area. Planning for the Southeast Quadrant may occur as part of the next comprehensive General Plan Update.
  - 3.7 When the portion of the Vista de Lomas area that is within the Urban Limit Line is included within the Urban Growth Boundary and planned for development, it should be assigned a General Plan designation which would limit its residential density to one unit per every 2.5 acres.

#### **Goal 4. Efficient and appropriate development of land within the UGB**

##### **Policies**

- 4a. Support the County's policy to avoid land uses and development in the unincorporated areas which would potentially conflict with future annexation and the optimal utilization of lands within the UGB. Also encourage the County to Retain large minimum parcel sizes, and promote agricultural and open space uses on unincorporated lands.
- 4b. Support the County's policy to avoid premature road and infrastructure extensions in the unincorporated areas which would potentially conflict with optimal street configurations and development patterns within the UGB.

## **Goal 5. Preservation of agricultural and open space uses on unincorporated lands outside the UGB**

### **Policies**

- 5a. Promote the maintenance of current County General Plan policies encouraging low-density uses, including large lots and agriculture, for County projects adjacent to the UGB.
- 5b. Retain current Rural County and Open Space land use designations in the City's General Plan, applicable to rural unincorporated lands outside the UGB.
- 5c. Support the County's effort to promote the use of expanded home occupations for rural landowners and agriculturists, within the parameters of the County's zoning ordinance.
- 5d. Coordinate measures to enhance the economic viability of agriculture in conjunction with other inter-jurisdictional planning in the South County.

### **Actions**

- 5.1 Explore and implement various measures to enhance the economic viability of agriculture, including by maintaining the City's Right-to-Farm Ordinance.
- 5.2 Work with Santa Clara County to minimize potential land use conflicts between urban uses within the UGB and rural lands adjacent to the growth boundary.
- 5.3 Work with Santa Clara County to reach consensual agreement regarding the expansion of the city's urban area and permanent preservation of greenbelts in unincorporated areas surrounding the city.
- 5.4 Support the County's policy to prohibit the introduction of Roadside Services land use designations on unincorporated lands within the City's Sphere of Influence.

## **Incompatible Uses**

### **Goal 6. Avoidance of incompatible land uses and conflicting activities**

### **Policies**

- 6a. Avoid development in areas of natural hazards such as landslide and flood prone areas (see related policies in Open Space and Conservation and Public Safety Elements).
- 6b. Encourage the clustering of residential units to provide open space and recreation areas, and to provide buffer areas between different land uses (e.g., industrial and residential).
- 6c. Evaluate potential impacts of development projects on adjacent uses in initial environmental assessments and EIRs.

### **Actions**

- 6.1 Use setbacks, natural and man-made barriers such as streams, park land, and drainage ways, and other mitigation to separate incompatible uses whenever possible.



- 6.2 Investigate potential conflicts between future residential development and existing agricultural operations and identify methods of resolving such conflicts prior to development.

## Residential Development

By approving Measure C in 2004, Morgan Hill voters extended the City's Residential Development Control System (RDSCS) to 2020. The General Plan assumes that some form of residential growth control and the current allowed rate of 250 new units per year will continue until 2020, resulting in a city population at that time of 48,000 (see *Table 3*).

Measure C requires that its basic provisions be included in the General Plan. These paragraphs (which appear below under ***Residential Development Control***) were approved as a voter initiative and cannot be amended except by another public vote.

At current construction rates, available residential land in the city and in the UGB will take more than 30 years to develop. Up to 4,200 new dwelling units of various types could be built in Morgan Hill east of Monterey Road, plus 1,400 west of Monterey Road. UGB lands are designated for a maximum of about 1,200 new units east of Monterey Road and 800 west of Monterey Road. Another 225 acres outside the UGB are designated for single family development south of Watsonville Road and west of Monterey Road. The city and SOI currently contain about 12,400 dwelling units and would need about another 3,900 to accommodate 48,000 residents.

**Table 3. Population Projections**

Year	City Population	Avg. % Growth/yr
2000	33,092	
2005	36,500	2.0
2010	38,800	1.2
2015	43,400	2.3
2020	48,000	2.0

## Residential Development Control

*The following provisions, enacted by voter initiative Measure P in 1990 and refined and extended by votes of the people of the City in 2004 and 2006 shall apply to all residential development in the City, and to any residential development that requires provision of urban services by the City, to and including fiscal year 2019/20.*

### Requirement of Development Allotments for all Residential Development

*For the years to and including fiscal year 2019/20, no residential development shall be undertaken, and no discretionary permit or building permit shall be issued, in the City of Morgan Hill unless a development allotment has been obtained therefore in accordance with the provisions of this section of the General Plan and the Residential Development Control System (RDSCS) set out in the Morgan Hill Municipal Code, except for secondary dwelling units ("granny units") and for a single dwelling unit, on the following conditions: If one unit is proposed on a parcel of sufficient size to accommodate additional units, it may be permitted without an allotment only if a deed restriction is placed upon the parcel which requires allotments to be obtained for any additional dwelling units on that parcel. Furthermore, if more than one continuous parcel is proposed for development by the same individual or entity under the single dwelling unit exemption on each parcel, Residential Planned Development Zoning shall be required for such development. The Residential Development Control provisions of this section shall apply to all types of residential development in the City of Morgan Hill, including single family (which includes mobile homes) and multi-family housing.*

## Number of Development Allotments

*The population ceiling for the city as of January 1, 2020 is 48,000. This ceiling shall not be increased, regardless of whether additional lands are added to the city or its Urban Service Area. However, if any of the following existing County subdivisions, which are already within the City's Urban Growth Boundary ("Existing County Subdivisions"), are annexed into the City, the population within them shall not count against the 48,000 person population limit: Holiday Lake Estates Unit 1, Casalegno's Subdivision (Casa Lane), and El Dorado III (at southwest corner of Hill Road and Diana Avenue).*

*Except for the 100 allotments made available by the voters in November 2066 for projects of up to 25 units in the downtown core area defined as from south of Main, north of Dunne, east of Del Monte, and west of the railroad tracks ("Downtown Core"), which are in addition to the usual numbers as determined by this paragraph, the number of allotments shall be determined biennially, using the California Department of Finance's most recently determined figures for the persons per household and total population of the City of Morgan Hill. The State's estimate will be adjusted for any relevant housing backlog not included in its population estimate, any Existing County Subdivision (as defined under the prior paragraph) that has been annexed, and any other quantifiable factor which improves the accuracy of the estimate. The adjusted population is then subtracted from 48,000, the result divided by the Department of Finance's most recently determined figure for person per household in Morgan Hill, and then divided by the number of years remaining between the population estimate date and 2020. This gross annual allotment is then reduced for any fiscal year by its previously awarded allotments (awarded in prior years) and the number of exempt units anticipated for that fiscal year.*

*Except for the 100 allotments made available by the voters in November 2006, the number of development allotments shall be divided between conventional single family dwellings, mobile homes and multiple family dwellings in a manner determined by the City Council, provided that no less than 33 percent of all allotments shall be awarded to single family dwelling units. The number of affordable/elderly dwelling units shall be assigned in a manner consistent with state law for the total number of allotments to be assigned for that year. The City Council may, if it chooses, further divide the allotments according to geography, price, development size, phasing (including the number of units and timing of allotments required to complete the project), and similar criteria as deemed necessary to provide for the general welfare.*

*For the competitions for allotments in fiscal years 2006-07 through 2009-10, the City Council shall reserve a certain number of allotments for projects in the Downtown Area. The number of allotments allocated, and the geographic limits of the Downtown Area for this purpose, shall be determined by the Council. The Council may amend the number of reserved allotments and geographic limits of Downtown for this purpose, and may continue to reserve an appropriate number of allotments to Downtown area projects after the 2009-10 fiscal year. Downtown housing and mixed use projects within the Downtown RDCS Boundary that were awarded allotments in March 2006 may be started and completed earlier than their allotment years. The City Council may establish procedures for scoring and awarding the 100 allotments made available by the voters in November 2006, which may not require a competition but which shall provide that all projects must achieve a minimum score for the project type, and which may allow for flexible project start and completion dates.*

*The City Council may, in any year reserve an appropriate number of allotments per year to vertical mixed-use projects, which are not restricted to the Downtown Area.*



**Development Allotment Applications and Evaluations**

*Development allotments shall be allocated to proposed developments in accordance with a Residential Development Control System set out in the Morgan Hill Municipal Code. This system shall provide for awards of development allotments based on the number of points scored for all development proposals biennial competition, or outside of a competition but based on requiring projects to achieve a minimum point score, for the special 100 downtown allotments established by the voters in November 2006. The point scale used shall take into account the impact of the proposed development on the following public facilities and services: water supply system, sanitary sewer and treatment plant, drainage and runoff, fire and police protection, traffic and other municipal services.*

*Proposed developments shall be awarded points for provision of schools, and related facilities, open space, orderly and contiguous development, public facilities, parks and trails, low-income and moderate income housing and housing for the elderly, and diversity of housing types; and for quality of architectural design and site design.*

*Small residential developments provide special benefits to the City by encouraging local developers, providing design variety, and promoting utilization of smaller lots. These developments do not impose as high a burden on municipal services as do larger projects, because their demands are incremental and they tend to be infill developments. Such small developments may be unable to compete with larger developments in terms of the levels of amenities provided. In order to treat small developments in a manner reflecting their benefits to the community, the Residential Development Control System shall be designed to provide for small development through appropriate means selected by the City Council, such as a separate small project competition and a more streamlined and less costly process.*

*In implementing the provisions of the Residential Development Control System and making awards of development allotments, the City Council shall comply with Government Code Sections 66000 et seq. and other relevant provisions of the state Planning and Zoning Law.*

**Emergency Situations**

*No residential development shall be permitted during a period of emergency or severe impaction of public facilities, as declared by the City Council pursuant to provisions of the Municipal Code. The declaration of an emergency or severe impaction situation may be based on determinations of mandatory water rationing, sewage system operating at 95% capacity, or other endangerment to the public health, safety or welfare. In the event of overcrowding in public school serving Morgan Hill, the City Council shall work with the school district pursuant to Government Code sections 65970 et seq. to seek appropriate mitigation and prevent further overcrowding, including, as authorized by state statute, prohibiting residential development within the overcrowded school attendance area. The Council shall, in implementing this provision, comply with the provisions of Government Code Sections 65858, 65996, and any other applicable provisions of law.*

### **Open Space Conversions**

*No development allotments shall be awarded for a development proposal pursuant to this chapter and the RDCS unless the public benefits included in the proposal are secured in a permanent and enforceable manner. Lands that are designated for private or public open space, greenbelts, parks, paths, trails, or similar scenic and recreational uses in a residential development allotment application under this section shall, once the application is approved, be limited to the uses specified in the application through the use of permanent dedications, easements, or similar devices.*

*With respect to development allotments already awarded, wherever legally possible no further building permits shall be granted for a project until such public benefits specified in the development application, particularly but not exclusively open space dedications, have been secured in a permanent and enforceable manner.*

*The lands within the City of Morgan Hill that are designated "Open Space" on the Morgan Hill General Plan Land Use/Circulation Elements map, as amended through November 19, 2003, are hereby reaffirmed and readopted through FY 2019/20. This provision shall not prevent the City Council from designating additional lands as open space.*

### **Urban Service Area Restrictions**

*The City of Morgan Hill shall neither apply to LAFCO, nor otherwise request or support, the addition of any land to its Urban Service Area, until such time as the City Council finds that the amount of undeveloped, residentially developable land either within the existing Urban Service Area is insufficient to accommodate five years worth of residential growth beyond that required to accommodate the number of development allotments available in the next competition. The projected rate of growth for purposes of this determination shall be the rate of growth provided for by this section of the General Plan and the RDCS. After making such a finding of space insufficiency, the City may support the addition of land to the Urban Service Area only to the extent necessary to support approximately five or fewer years of growth beyond that required to accommodate the number of development allotments available in the next competition.*

*The City Council may formulate standards by which it may make exceptions to the above-stated provision, for desirable infill. Desirable infill is defined as a tract of land not exceeding twenty acres and abutted on at least two sides by the city or abutted on one side by the city and having two other sides within a quarter mile of a city boundary (as determined by a perpendicular line drawn from the side of the parcel to the city boundary) and whose inclusion into the Urban Service Area would not unduly burden City services and would beneficially affect the general welfare of the citizens of the city. The standards set up for granting such exceptions must include criteria to prevent repetitively granting exceptions to the same applicant, development, or parcel. The City Council, prior to approving any expansion of the Urban Service Area for desirable infill, shall make findings documenting that expansion would not unduly burden City services, and that the expansion would beneficially affect the general welfare of the citizens of the City, as defined in the following paragraph.*



*Areas whose addition to the Urban Service Area would be considered to beneficially affect the general welfare of the citizens of the City include those areas that promote orderly and contiguous development by facilitating the provision of infrastructure improvements, or allow for the establishment of public facilities such as parks, schools, or other buildings to be owned or operated by the city, school district, water district, or any other public agency. Infrastructure improvements that would promote orderly and contiguous development are those that connect to the existing infrastructure (for example, the continuation of a dead-end street that would improve traffic circulation patterns), or otherwise complete or complement the existing system. The infrastructure improvements that are the basis of the City's findings that the expansion would beneficially affect the general welfare of the City must be installed, or the land needed for public facilities that are the basis of the City's findings that the expansion would beneficially affect the general welfare of the City must be conveyed to the public agency, within five years of the date the area is added to the Urban Services Area or upon its development, whichever occurs first. The commitment by the applicant to install the infrastructure improvements on which the City's findings are based, or convey the land needed for the public facilities on which the findings are based, must be secured prior to official action adding the area to the Urban Services Area, through a development agreement or other legally binding agreement recorded against the property. The City shall not require an applicant to provide infrastructure or land in a quantity exceeding that which is needed to fully offset and mitigate all direct and cumulative impacts on services and infrastructure from new development proposed by the applicant.*

*The City Council may make exceptions to these requirements for, and support the annexation to the City of Existing County Subdivisions as defined in paragraph B, "Number of Development Allotments," of the Residential Development Control provisions of the General Plan.*

*This section is not intended to, and shall not be applied to, restrict or constrain the discretion of the LAFCO, nor to prevent any action required by the Knox-Hertzberg Local Government Reorganization Act of 2000 or other state statute or by any Court judgment.*

*In order to assure that City services and resources are not unduly burdened, urban sprawl and noncontiguous development must be discouraged. Therefore, for any land added to the Urban Service Area between March 1, 1990 and the effective date of Measure P, December 8, 1990, and not considered "infill" as defined above, the City shall not provide urban services to support any **d14**development at a higher density than that provided for in the Santa Clara County General Plan as of March 1, 1990.*

### **Urban Services Extensions**

*The City of Morgan Hill shall grant no new extensions of urban services for residences beyond its Urban Service Area except in the event that 1) Morgan Hill has entered into a mutual aid or reciprocal emergency agreement for police, fire, or other emergency services to be provided by City facilities on County land; or 2) an owner of an existing development requests an extension due to the failure of an existing septic system or well and the City Council makes a finding that denial of services to that development would have a direct adverse impact on the public health and safety.*

## Goal 7. A variety of housing types and densities available to all residents

### Policies

- 7a. Plan for a population of approximately 48,000 residents in 2020.
- 7b. Plan for an approximate 70/30 ratio of single family to multi-family housing for all future residential development.
- 7c. Under the Residential Development Control System (RDCS) procedures, continue to emphasize single family development in the distribution of units between single family and multi-family development.
- 7d. Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.
- 7e. Provide for an adequate supply of multi-family housing, located convenient to shopping, services, and transportation routes.
- 7f. Continue to provide for mobile home park and modular home developments at appropriate locations within the city, employing high standards of site planning and design.
- 7g. Continue to provide for a full range of residential land use densities and building types, including mobile homes, within the General Plan and Zoning Ordinance
- 7h. Utilize all parcel sizes and land use categories in updating the City's Zoning Ordinance to provide for a full range of residential densities and housing types.
- 7i. Encourage a mix of housing types and lot sizes within residential projects with five or more lots or units.
- 7j. Support actions to maintain an adequate supply of single family housing throughout the community, including provision of affordable single family housing to those persons who work within the community.
- 7k. To the maximum extent possible, emphasize single family units in affordable housing allocations, rental and ownership housing assistance projects, and rehabilitation programs to improve the existing housing stock.
- 7l. Encourage preservation and rehabilitation of single family neighborhoods within the city.
- 7m. Allow residential uses in commercial zones and residential and commercial uses within a structure in a commercial zone (e.g., downstairs commercial and upstairs residential), subject to meeting performance standards.
- 7n. Subject mobile home park and subdivision development to Residential Planned Development (RPD) zoning.
- 7o. Distribute housing among the South County communities so as to achieve an appropriate population balance and equitable distribution of public services. (SCJAP 3.02)
- 7p. Provide housing at a range of costs that meet the needs of all sectors of the workforce. (SCJAP 3.02)
- 7q. The area designated for Single Family Low Density residential use located at the southwest corner of the intersection of Murphy and Diana Avenues shall be implemented using the R-1 12,000 zoning district.





## Action

- 7.1 Expand the Multi-Family Low residential land use designation to allow development of detached units based on design and development criteria intended to limit visual impact (e.g., floor-area ratio, single story, mass of garages, etc.), and limit the number of small-lot detached units in a given project to a small proportion (less than 25 percent) of overall units.
- 7.2 Limit the number of single-family attached units in a given project in Single Family designations to a small proportion (less than 25 percent) of overall units.
- 7.3 The portion of the 65-acre development located between the Union Pacific Railway and Hale Avenue, south of Tilton Avenue which is planned for multi-family development shall be buffered from view from Hale Avenue by a row of single family homes developed on lots of a minimum 9,000 square feet in size.
- 7.4 Future development of the forty-acre parcel on Kruse Ranch Lane north of Dunne Avenue should be located such that environmental impacts, including offsite visual impacts, are minimized. To the extent possible, future development should be clustered and located on the lower portion of the site.
- 7.5 Consistent with the recommendations of the Urban Limit Line/Greenbelt Study Report, enter into an agreement with the owners of 118 acres of land in the area generally bounded by Sunset, Edmundson and DeWitt which would provide for the following:
  - a. Construction of four houses on lots which front of Edmundson Ave.
  - b. Construction of one house on the property which fronts on DeWitt Ave.
  - c. Expansion of the Urban Growth Boundary to include 19 acres adjacent to Sunset Ave., consisting of slopes of 10 percent or less, and allowing between one and three houses per acre.
  - d. Recordation of open space easements over approximately 84 acres of the property (most of which is located outside of the City) prohibiting any further development of that area.
- 7.6 The 18-acre property located at the southwest corner of Santa Teresa Blvd. and Watsonville Road should develop at a density which transitions from minimum parcel sizes of one acre on the southeastern side of the site to minimum parcel sizes of approximately two and one half acres on the southwestern side of the site.

## Neighborhoods

Morgan Hill has a variety of neighborhoods, each with a unique character that adds to the diversity of the city. The General Plan seeks to preserve neighborhood vitality by buffering residences from commercial and industrial uses, but also by integrating homes and businesses within mixed-use projects where appropriate.

### Goal 8. Distinct, well-designed residential neighborhoods

#### Policies

- 8a. Maintain distinct boundaries between commercial uses and residential neighborhood. (This does not preclude residential uses within

commercial areas as part of mixed-use projects, or in designated mixed-use areas.)

- 8b. Require any higher-density multi-family developments to include



site design and a variety of unit types to mitigate potential impacts typically associated with larger projects.

- 8c. Encourage future residential development projects where local streets are safe, convenient and aesthetically pleasing; and where elementary schools and parks are centrally located to serve the immediate residential area.
- 8d. Complete street connections between neighborhoods to promote efficient circulation and emergency service response time.
- 8e. Design residential neighborhoods so they are distinct and separated from conflicting non-residential uses.

### Actions

- 8.1 Develop mechanisms to ensure a variety of building configurations in all multi-family areas.
- 8.2 Develop, adopt and enforce design standards for residential neighborhoods, providing for special design themes, signage, and roadway and sidewalk materials, and other methods of strengthening neighborhood identity.
- 8.3 Provide for an acceptable transition in lot size and density between adjacent residential areas.
- 8.4 Use existing and planned drainage/flood control and linear park system elements, as well as other publicly owned or restricted land, to connect residential neighborhoods.

## Commercial Development

Most of the roughly 550 acres designated for commercial development lies along Monterey Road and Highway 101. About half that land is vacant. Market projections indicate that during the next 20 years Morgan Hill will need another major grocery store and could support centers for sub-regional and tourist-oriented uses, which together could utilize 50 or more acres. It is important in retaining the city's identity to ensure that commercial uses are located where they can best serve target markets and least impact residential neighborhoods (also see the **Economic Development**

### Element).

The General Plan Retail concentrates uses on Monterey Road around the Dunne and Tennant Avenue intersections, where higher traffic volumes can be better accommodated.





Encouraging and maintaining non-retail uses along the intervening stretches is intended to help limit "strip commercial" appearance, reduce the potential for unacceptable traffic conditions, and contribute to the vitality of existing shopping centers.

Hotel and other traveler and regional serving commercial uses are proposed to be located along the Highway 101 corridor.

An additional grocery store is expected to be built in the northern part of Morgan Hill to serve the growing population in that area.

## Goal 9. Sufficient and concentrated commercial uses

### Policies

- 9a. Encourage a variety of commercial and office development to meet the needs of city residents.
- 9b. Ensure the viability of downtown and other recognized shopping areas, and discourage isolated and sprawling commercial activities along major roads.
- 9c. Encourage retail sales use at major intersections-as the focus of clustered commercial development.
- 9d. Encourage commercial development and concentrate community shopping uses along Monterey Road north of Watsonville Road.
- 9e. Discourage commercial activities along Monterey Road south of Watsonville Road.
- 9f. Encourage preservation of older homes along Monterey Road north of Central Avenue for commercial use.
- 9g. Plan for a future grocery store east of Highway 101 along Cochrane Road.
- 9h. Auto-related commercial uses shall be allowed in addition to other non-retail commercial uses on Monterey Road, between Wright Avenue and Old Monterey Road, only under strict standards for performance, design and neighborhood compatibility.

### Actions

- 9.1 Provide for a variety of commercial, office and industrial use categories in the Zoning Ordinance.
- 9.2 Update the Zoning Ordinance to specify appropriate levels of non-retail development at major intersections and appropriate levels of retail development along Monterey Road between the retail commercial nodes.
- 9.3 The northeast corner of the Morgan Hill Business Park, consisting of parcels 1 and 2 of the Morgan Hill Business Park, as shown on the Development Plan therefore, and located at the southwest corner of Cochrane Road and the South Valley Freeway, shall be designated for General Commercial uses (Note: this policy was adopted by voter initiative and cannot be amended without an affirmative vote of the electorate).
- 9.4 Amend the Zoning Ordinance to create acceptable standards by which auto-related uses may be allowed on Monterey Road, between Wright Avenue and Old Monterey Road.



- 9.5 Work with the County to limit the approval of new commercial uses in the unincorporated portion of the area south of Watsonville Road along Monterey Road.
- 9.6 Amend the Zoning Ordinance, as necessary, to preserve a site east of Highway 101 and north of Cochrane Road for a grocery store.
- 9.7 Amend the Zoning Ordinance to prohibit convenience commercial uses in residential neighborhoods.
- 9.8 Amend development and building standards as necessary to facilitate commercial re-use of older homes on Monterey Road north of Main Avenue.
- 9.9 Amend the Zoning Ordinance to prohibit auto sales in the Service Commercial designation along northern Monterey Road.

## Sub-regional Retail Uses

Market research indicates that Morgan Hill can stem retail leakage by providing an additional 170,000 square feet of sub-regional retail uses on about 15 acres. Depending on how fast and intensively Coyote Valley develops, Morgan Hill could provide an additional 260,000 square feet of sub-regional retail on another 25 acres during the next 20 years.

Highway proximity is the most important consideration for sub-regional retail uses. This type of center should include apparel, appliances, books, building materials, electronics, furniture, office supplies and restaurants. The *Land Use Diagram* identifies one set of parcels totaling more than 48 acres at the northeast Cochrane interchange, and another of 29 acres at the southwest Tennant interchange, to accommodate future sub-regional retail development.

## Goal 10. Sub-regional retail at freeway interchanges

### Policies

- 10a. Encourage tourist-oriented and sub-regional retail uses at the northeast Cochrane and southwest Tennant freeway interchanges (also see Economic Development Element).
- 10b. Limit repetitive ancillary commercial uses, such as fast-food restaurants and service stations, on lands around all interchanges.
- 10c. Zone all commercial areas at freeway interchanges Planned Unit Development, PUD, to ensure that they develop in a coordinated manner addressing such issues as design, signage and circulation.

### Actions

- 10.1 Reserve land at the northeast Cochrane and Southwest Tennant freeway interchanges for sub-regional retail uses with appropriate designations on



the Land Use Map.



- 10.2 Apply gateway design standards to all freeway commercial development.
- 10.3 Identify preliminary design criteria and improvements needed for the staged development of a sub-regional commercial center.
- 10.4 Prepare a general set of standards, criteria and incentives for potential developers that identifies an appropriate process and schedule for the development of a sub-regional center.
- 10.5 Amend the Zoning Ordinance to require ancillary commercial uses, such as fast-food restaurants and service stations, on lands around interchanges to be part of larger developments.

## Industrial Development

Industrial development boosts the local economy through tax revenues and high-quality employment opportunities for residents. Except for the 400-acre Morgan Hill Ranch Business Park (which is already more than half built-out), most industrial parcels comprise small separate ownerships near the railroad. Although these account for more than 200 acres of vacant land, they are generally too small to meet market demand.

Instead, projections indicate that in the next 20 years the city will need 200-300 additional acres in large, distinct business parks with good freeway access and visibility. Ideally, new business parks will attract, clean, high-tech businesses separated from incompatible land uses. The *Land Use Diagram* identifies four appropriate sites totaling about 225 acres for new industrial development in three distinct areas near Highway 101. (Total vacant industrial land exceeds 700 acres.)

### Goal 11. Adequate land for industrial development

#### Policies

- 11a. Encourage industrial development as a means of diversifying the economic base.
- 11b. Attract industrial uses and promote development of industrial parks.
- 11c. Industrial development in the area east of Highway 101 (south of Cochrane Road and north of Diana Avenue) and the area west of Highway 101 and south of Tennant Avenue shall occur under Planned Unit Development zoning to ensure that issues such as circulation, allowable uses, neighborhood compatibility and development standards are properly addressed.
- 11d. Encourage the placement of office portions of industrial uses to serve as Buffers to potential conflicting uses, such as residential neighborhoods.
- 11e. Ensure that all industrial uses are well sited and buffered from incompatible uses; buffers may include offices adjacent to sensitive uses, landscaping, berms, etc.



- 11.f. Allow light industrial or office commercial use of the property located on the east side of Monterey Road south of the Union Pacific train trestle, subject to strict design standards and limitations which recognize its access limitations.

### **Actions**

- 11.1 Apply the design and landscaping standards set forth in the City Design Standards to all new industrial development.
- 11.2 Require industrial uses along Joleen Way to develop under a Planned Unit Development with a Master Plan that addresses circulation/access and potential incompatibility with adjacent residentially zoned property, and that provides for development of visually attractive, non-industrial uses such as offices or other low-intensity uses along the Dunne Avenue frontage.
- 11.3 Develop standards to ensure that industrial uses in close proximity to residential uses provide appropriate buffers and/or transitions to adjacent residential areas.
- 11.4 The industrial area east of Highway 101 shall develop in no more than three PUDs. The boundary between the PUDs, should two or three be proposed, would be Half Road and Main Avenue. The PUDs will need to address such issues as traffic circulation, design, allowable uses and impacts on surrounding areas. Mitigation of impacts on nearby residential areas shall be a high priority in planning for and development of the PUDs. Allowable uses within these PUDs shall include, in addition to industrial uses, medical facilities, hospitals, and educational facilities.
- 11.5 The industrial area south of Tennant Avenue, west of Highway 101 and east of the railroad tracks shall be planned as a single PUD. The PUD for that area shall include minimum thresholds which must be met prior to development of any of the parcels in the area. Such thresholds should address among other issues, the availability of public facilities including sewer, water and storm drainage and the extensions of Butterfield Boulevard and Watsonville Road into the area. The PUD should also address the number or percentage of parcels which have been assembled for industrial development before any such uses may be established.
- 11.6 Amend the Zoning Ordinance to create acceptable standards by which industrial or office commercial uses may be established on the property located on the east side of Monterey Road south of the Union Pacific train trestle. Such standards shall recognize the significance of this portion of Monterey Road as the northerly entrance to downtown the necessary limitations on use due to its single point of access.
- 11.7 Evaluate annually the amount of industrial land available for development within the 5-year Urban Service Area, and propose expansion or adjustments in General Plan industrial land categories and related zoning as necessary.



## Built Environment

Because no single architectural theme dominates Morgan Hill, design standards in the city should emphasize a variety of styles and specify fundamental architectural ideas that must be utilized. Such standards can address building envelope, mass and scale, window and door placement, façade, roof shape, landscaping, parking and other issues.

### Goal 12. A visually attractive urban environment

#### Policies

- 12a. Avoid monotony in the appearance of residential development.
- 12b. Discourage the use of "franchise architecture."
- 12c. Improve the appearance of commercial developments by minimizing the amount of parking fronting the street.
- 12d. Rehabilitate or replace run-down, blighted buildings and developments, including trailer courts.
- 12e. Minimize the use of sound walls.
- 12f. Landscape medians and public areas along major streets and Highway 101 using plant materials, wherever feasible.
- 12g. Ensure adequate maintenance of streetscape improvements.
- 12h. Encourage installation of public art in new and renovated non-residential projects.
- 12i. Ensure that development directly south of, and across Monterey Road from, the Post Office appropriately complements the Post Office and incorporates West Little Llagas Creek as an amenity.

#### Actions

- 12.1 Develop, adopt and enforce Design Standards for all commercial, industrial, and residential areas in order to provide a high quality environment and to attract desired types of businesses in specific locations. The design standards should address issues such as setbacks, building design and articulation, landscaping, parking and signage.
- 12.2 In requiring noise impact mitigation of new and/or expanded development, the City shall promote the use of techniques less visually disturbing than sound walls, including but not limited to earth berms and intervening placement of non-sensitive buildings.
- 12.3 Develop a plan and standards to encourage the inclusion of public art in new and renovated non-residential projects.

## Downtown

Downtown includes the commercial area around Monterey Road from Main Avenue to Dunne Avenue, and from Del Monte Avenue to Depot Street. In accordance with the Downtown Design Plan – which establishes City goals and expectations for the land use and aesthetic character of the area, the commercial core along Monterey Road has been carefully designed to create a sense of civic identity. Extensive street and median planting, arcaded walkways, and ample street furniture provide for a pleasant visual and pedestrian experience. The downtown is highly regarded by residents, and its preservation and enhancement are high priorities for the City.



### Goal 13. A vibrant, identifiable downtown

#### Policies

- 13a. Enhance the positive, friendly atmosphere of the downtown by encouraging proposed development to expand pedestrian-oriented design and amenities east of Monterey Road to Butterfield Boulevard.
- 13b. The Downtown Design Plan shall be considered a part of the General Plan.
- 13c. Consider allowing downtown land uses with night and weekend peak parking demands to share parking spaces with uses that have daytime and weekday peak parking demands.
- 13d. Continue the downtown streetscape and pedestrian-oriented design theme along Monterey Road for at least one block north of Main Avenue and at least one block south of Dunne Avenue, and from Monterey Road east to Butterfield Boulevard between Main and Dunne Avenues, to provide a transition from downtown adjoining commercial areas.
- 13e. Require adequate parking for all businesses within the downtown.
- 13f. Encourage industrial uses to move away from the downtown and into more appropriate industrial areas within the city. Use these vacant parcels to expand activities and uses conducive to the pedestrian-oriented downtown environment.
- 13g. Encourage retail uses in the downtown, with offices located away from Monterey Road or on upper floors along Monterey Road.
- 13h. Encourage a mixture of uses in the downtown that will promote its identity as the cultural and activity center of the city.
- 13i. Reinforce the downtown as a major retail and office center through the implementation of the Downtown Design Plan.
- 13j. Locate CalTrain and other transit stops convenient to the downtown, focusing on transit- and pedestrian-oriented development.
- 13k. Ensure that Circulation Element and road improvement programs provide efficient access to the downtown at a level of service not intended to accommodate regional pass-through traffic.
- 13l. Encourage residential uses on upper floors above commercial uses in the downtown area.



## **Actions**

- 13.1 Provide community assistance and support for downtown activities and special events - festivals, art shows, farmer's markets, collector car shows, craft fairs, etc.
- 13.2 Review the downtown commercial land use category and associated zoning categories to ensure that they promote pedestrian-oriented retail uses, including by requiring offices to be located away from Monterey Road or on upper floors along Monterey Road.
- 13.3 Review the General Plan and Zoning to ensure that there is adequate land available for an appropriate mix of activities downtown.
- 13.4 Review the proposed Third Street pedestrian mall for possible redesign to increase its attractiveness or usefulness to pedestrians.
- 13.5 Develop programs through the Redevelopment Agency to acquire parcels of land as they become available, to assist in assembling larger parcels of land, and to provide land write downs as necessary, to assist high priority uses to locate in and around the downtown.
- 13.6 In updating the Downtown Design Plan, include an evaluation of parking needs and consider appropriate residential densities and building heights for the downtown.
- 13.7 Apply the Downtown Design Plan to all development proposals in the downtown.
- 13.8 Review and revise as necessary the budget for maintaining downtown streetscape improvements.
- 13.9 Use the Residential Development Control System to foster residential uses above commercial uses.

## **Gateways**

Gateways are the key locations where people enter and leave the city or its distinct districts. They let people know they have left one place and come into another. As gateways convey a sense of arrival and provide initial and lasting impressions, they should be attractive and identifiable. Gateways can express a pleasant welcome through architectural features, landscaping and art. Signage can also help define city gateways uniformly.

## **Goal 14. Distinct, attractive gateways to the community**

### **Policies**

- 14a. Enhance the visual integrity of the gateways to the city such as the Madrone area north of Cochrane Road, the Cochrane Road / Monterey Road intersection, Monterey Road south of Watsonville Road, the Cochrane, Dunne and Tennant freeway interchanges, and the railroad station.
- 14b. Protect the visual integrity of the scenic gateways to the South County (Pacheco Pass, Hecker Pass, Route 101 south of Gilroy, and the Coyote greenbelt area north of Morgan Hill). (SCJAP 16.06)

### **Actions**

- 14.1 Develop and implement designs for public improvements at the key gateways to Morgan Hill including: Madrone area north of Cochrane Road, the Cochrane Road / Monterey Road intersection, Monterey Road

- south of Watsonville Road, the CalTrain station and freeway interchanges at Cochrane, Dunne and Tennant.
- 14.2 Develop, adopt and enforce Gateway Design Standards which set forth specific site, landscaping, architectural, and sign design standards for private development at and around the gateways to the community.
  - 14.3 Work with CalTrans and Union Pacific to improve the appearance of the railroad overcrossing (a secondary gateway to the city) and land along the railroad.

## Edges

Around much of the City, Greenbelt areas have been identified to define the limits of future urbanization. The character of the limits or edges between urban and rural environments is important to establishing the city's identity and providing residents on either side of the edge with a sense of place. The demarcation from urban to non-urban areas can take two different forms. With a **hard edge**, the urbanized portion of a city ends abruptly, with rural/agricultural lands around it. With a **feathered edge**, development intensities taper off from higher densities in the city interior to lower densities at the edge, creating a transition from urban to rural. Although they can provide appropriate transitions, feathered edges can make gateways difficult to distinguish. In either case, edges form a boundary between "town" and "country" and limit the potential for unwanted urban sprawl.

## Goal 15. Appropriate transition between urban land uses and surrounding undeveloped areas

### Policies

- 15a. West of Highway 101 and north of the Madrone Industrial Park, feather residential uses toward the northern Sphere of Influence boundary with San Jose.
- 15b. Maintain existing residential feathering south of Watsonville Road and west of Monterey Road, and maintain the residential estate designation east of Monterey Road to the railroad.
- 15c. Review other areas of the city to evaluate whether a feathered edge would be appropriate.
- 15d. Feathering from higher urban densities to lower rural densities should occur within the city limits. Feathering should begin as development nears the Urban Limit Line.

### Action

- 15.1 Retain the existing land use pattern of large lots east and west of 101 and north of Cochrane Road

## Services

The City provides police protection, parks and recreation programs, community planning and building inspection, water supply, sewage disposal, drainage, and street maintenance. The City contracts with the Santa Clara County Fire Protection District for fire protection and emergency medical response. Various



other public and quasi-public providers offer education, electricity, natural gas, telephone and cable television services.

## **Goal 16. An urban level of services and facilities (SCJAP 5.01)**

### **Policies**

- 16a. Maintain high standards of siting and design in the development of City facilities (e.g., parks, City offices, fire stations).
- 16b. Evaluate the need for additional or upgrading of community facilities based on such factors as the location and extent of new residential, commercial and industrial development, residential densities, and neighborhood development patterns.
- 16c. Identify public facility and service needs, and coordinate their development to minimize costs and support achievement of community goals. (SCJAP 5.00)

### **Actions**

- 16.1 Require all development that may result in a substantial impact on City infrastructure and/or services to be analyzed to determine the extent of that fiscal burden.
- 16.2 Require all City projects to go through the same development review procedure as private projects, (i.e., Development Review Committee, Planning Commission and Architectural and Site Review Board [ARB] approval.)
- 16.3 Identify and adopt a set of level of service standards for major public facilities and services (roads, police, fire, sewer, water, drainage) that identify accepted service standards for development in Morgan Hill.
- 16.4 Fully utilize existing strategies to achieve an urban level of public services throughout the city, including a) require that the timing and location of future urban development be based upon the availability of public services and facilities; b) require new development to pay all the incremental public service costs which it generates; and c) require developers to dedicate land and/or pay to offset the costs relating to the provision and expansion of public services and facilities. (SCJAP 5.01)
- 16.5 Determine the City's future energy needs and develop strategies to ensure that adequate energy resources are available when needed.

## **Public Safety**

Adequate staffing and timely response are necessities for police, fire, and emergency medical services. These objectives can be defined, achieved and maintained through implementation of master plans for these services. The City is currently updating its Fire Safety Master Plan.

## **Goal 17. Efficient police, fire and emergency medical response and services**

### **Policies**

- 17a. Ensure police and fire staffing and facilities as necessary to provide adequate public safety protection.

- 17b. Promote police and fire security considerations in all structures by ensuring that crime and fire prevention concepts are considered in development and design.
- 17c. Encourage provision of a full range of medical services in the city, including an acute care hospital.

### **Actions**

- 17.1 Store duplicate records of utility systems in emergency operations centers for continuing operations and repairs of vital services in the event of a disaster.



- 17.2 Evaluate the emergency operations center for seismic vulnerability, and modify its design as necessary to assure the continuity of vital services following a damaging earthquake.
- 17.3 Enforce the City's Security Ordinance through the Development Review Committee.
- 17.4 Ensure that a sufficient supply of appropriately located vacant land is planned and zoned for medical services.
- 17.5 Assist in the formation of a healthcare foundation charged with developing and implementing an action plan for attracting physicians and other medical services, and with establishing an acute care hospital in the city.
- 17.6 Continue to implement fire safety requirements through the Development Review Committee.
- 17.7 Consider strengthening Fire and Police standards in Chapter 18.78 of the Municipal Code.
- 17.8 Develop and adopt a Public Safety Master Plan that includes three specific elements addressing Fire, Police and Emergency Medical Services to ensure that the City has adequately planned for the construction and maintenance of public safety services.
  - The Fire Protection Element of the Public Safety Master Plan shall address the need for, timing and location of future fire stations, methods for providing preferred levels of service, and fire prevention programs.
  - The Police Service Element of the Public Safety Master Plan shall address police staffing levels, performance standards, and the need for and location of additional police facilities.
  - The Emergency Medical Element of the Public Safety Master Plan shall address paramedic response and its relationship to fire protection responders.
- 17.9 Until such time as there is an acute care hospital operating in the City, ensure that there is at least one vacant site of 10-to-15 acres in size that is zoned to allow that use.
- 17.10 Amend the Zoning Ordinance, as necessary, to ensure that medical facilities are allowed within industrial zoning districts.



## Parks and Recreation

Providing parks, recreation facilities and programs is a high priority expressed by community residents. With available funding and a renewed City recreation program, Morgan Hill has an unparalleled opportunity to expand parks, trails, facilities and recreation programs through City initiative and partnerships with other agencies and organizations (see *Map 3*).

### **Goal 18. Useful, accessible and high-quality park, recreation and trail facilities and programs**

#### **Policies**

- 18a. Recreational facilities and programs shall meet the needs of all Morgan Hill residents, including seniors, youth, and citizens with disabilities.
- 18b. Parks and recreational facilities shall be sited to maximize access to all residents. Where feasible, neighborhood parks shall be distributed throughout the community so that all residents live within walking distance of a neighborhood or community park. (Walking distance is defined as within a 1/2-mile radius of the park. This may not be feasible in all neighborhoods, especially hillside neighborhoods. See the Parks, Facilities and Recreation Programming Master Plan for definitions of neighborhood and community parks.)
- 18c. The City shall acquire and develop parks and recreation facilities, and develop joint use agreements with other agencies and organizations that provide community recreation facilities, to achieve a standard of 5 acres of parkland per thousand population. Parkland toward this standard shall be calculated based on the recommendations and Parkland Classification System in the Parks, Facilities and Recreation Programming Master Plan.
- 18d. Location and development of parks shall be coordinated with the Open Space and Conservation Element of the General Plan to maximize opportunities for resource protection, Greenbelt creation, environmental education, and passive recreational use of open space where appropriate.
- 18e. All facilities shall comply with State and Federal accessibility codes and standards, such as those established by the Americans with Disability Act (ADA) and California Access Code (Title 24, California Code of Regulation).
- 18f. Encourage partnerships with public, non-profit and private agencies and organizations in the acquisition, development and long-term operations of parks, recreational facilities and trails.
- 18g. Where appropriate, locate new neighborhood parks adjacent to new schools, to optimize the multiple use of public open space facilities.



- 18h. Parks and recreational facilities shall be designed to primarily meet community needs. Regional need may be a consideration in the planning and design of recreation facilities if there are long-term operations and maintenance benefits (such as facilities where regional tournaments may help off-set long-term operations costs) and/or to meet other General Plan goals (such as economic development). Facilities that may meet regional needs shall be located and designed in such a way to minimize impact on residential neighborhoods.
- 18i. Incorporate emergency services (fire and police) into the design review process for new parks, recreation facilities and trails.
- 18j. Continue to support development of the recreational facilities identified in the Morgan Hill Vision Process. These include the community and cultural center, community recreation center (with senior and youth facilities), aquatics center, sports park/soccer complex, permanent skate park, and trails. Other facilities to be developed include a BMX park, new neighborhood parks in areas currently underserved by parks, and a dog off-leash area.
- 18k. Encourage the development of trails along creeks and drainage channels, connecting parks; regional trails, schools, library, and other community facilities.
- 18l. Coordinate trails, parks, and recreation facilities with a citywide bikeways system to include bicycle paths, lanes and routes.
- 18m. Continue to actively support the Parks and Recreation policies of the South County Joint Area Plan.





# City of Morgan Hill

## General Plan

Map 3. Park, Recreation and School Facilities



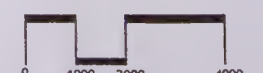
### Future Parks and Recreation Facilities Legend

- ✱ ..... Proposed Site Location
- ★ ..... General Areas for Targeting  
Future Schools/Neighborhood Parks

### Existing Parks, Open Space & Schools Legend

- ..... Open Space
- ..... Community Parks  
Neighborhood Parks  
Mini Parks
- ..... Home Owner Association Open Space
- ▨ ..... Schools

Map per Parks, Facilities & Recreation Master Plan  
prepared by Bellinger Foster Steinmetz,  
Landscape Architecture, Monterey, CA.









- 18n. Where appropriate, incorporate multi-functional and multi-generational design into facilities, provided that such multi-use does not create long-term operational conflicts. Sports fields and courts shall be located for efficiency, convenience and to support neighborhoods. Some fields and courts shall be grouped together at centers or complexes for league and tournament use, while other fields and courts shall be located at neighborhood parks for neighborhood use
- 18o. Consider long-term operations and maintenance implications when designing new or renovating existing parks and recreation facilities. Cost implications and funding sources for long-term operations and maintenance shall be identified for each new facility prior to proceeding with project development.
- 18p. Due to high maintenance costs and relatively low recreational value, development of future mini-parks shall be discouraged, unless they serve a specific function, such as a downtown plaza. Small neighborhood flood control basins (less than two acres) shall be landscaped as a neighborhood amenity, but shall not be considered part of the parks and recreation system. Larger (2 acres or greater) flood control basins may be considered for parks provided that the flood control function does not preclude the desired recreational function.
- 18q. Continue to require park acquisition and development fees and/or land dedication to support the acquisition and development of parks, trails and other recreation facilities.
- 18r. Actively pursue additional funding sources and mechanisms to support acquisition, development, and long term operations of parks, trails, facilities and recreation programs.
- 18s. Parks and recreational facilities shall be maintained to consistent and established standards. Maintenance standards and performance shall be regularly evaluated.
- 18t. Incorporate community outreach and involvement into the design process for parks and recreation facilities, and in the development of community recreation programs.
- 18u. Trails and linear parkways along creeks and drainage ways shall be coordinated with development to ensure protection and restoration of natural resources.
- 18v. Where possible, coordinate the location of future parks with Greenbelt areas so as to maximize public open space and recreational benefits.

### **Actions**

- 18.1 Actively pursue acquisition of appropriate parkland for recommended parks, trails and facilities, and to meet existing and future recreation needs.
- 18.2 Encourage partnerships with other agencies and organizations, including the Morgan Hill Unified School District (MHUSD) and other schools, Santa Clara Valley Water District, and the Santa Clara County Parks and Recreation Department, to acquire and develop parks and recreation facilities.

- 18.3 Work in partnership with MHUSD and other schools where appropriate to identify potential locations for future parks adjacent to future schools in areas currently underserved by parks. Where feasible, the lead agency (MHUSD or the City) shall acquire the full amount of land needed for the school/park, with the other agency agreeing to pay its fair share. Also consider partnerships to enhance community recreational use of existing and proposed school facilities.
- 18.4 Joint use agreements between the City and MHUSD shall be developed for all new school/neighborhood parks identifying maintenance responsibilities and maximizing shared use of resources where mutually beneficial. Also consider partnerships to enhance community recreational use of existing and proposed school facilities.
- 18.5 Work in partnership with the Santa Clara Valley Water District to establish easements and develop trails and linear parks along creeks and drainage channels.
- 18.6 Work in partnership with the Santa Clara County Parks and Recreation Department to enhance appropriate community use of County parkland adjacent to or within the City.
- 18.7 Utilize site selection evaluation criteria for major parks and special use facilities to minimize impact on adjacent neighborhoods. (These criteria are included in the Parks, Facilities and Recreation Programming Master Plan.)
- 18.8 Regularly review and update park development impact fees to ensure they are consistent with land values and park development costs. Coordinate this review and update with review of the residential development allocation point system.
- 18.9 Develop business plans for new sports parks and special use facilities that address management structure, potential partnerships, long-term operations and maintenance costs and potential for cost recovery through user fees and other means.
- 18.10 Utilize standards for the preparation of specific park and facility master plans, including appropriate levels of public outreach and involvement, as established in the Parks, Facilities, and Recreation Programming Master Plan.
- 18.11 Evaluate whether the City or recreation partner(s) should provide recreation programs on a case-by-case basis, based on criteria included in the Parks, Facilities, and Recreation Programming Master Plan.
- 18.12 Where partnerships with other agencies and organizations are desired, establish joint use agreements that clearly define scheduling, programming and maintenance responsibilities of each partner. Encourage partnerships where revenues beyond operations and maintenance costs must be reinvested in the facility or elsewhere within the community to enhance recreation opportunity.
- 18.13 Enhance the City's role as a center of information for community recreation programs provided by the City and other recreation providers.
- 18.14 Establish a consistent and reliable funding source for long-term operations and maintenance. Consider a city-wide assessment district and other mechanisms for this purpose.



- 18.15 If a citywide assessment district or other funding method is adopted for long-term operations and maintenance, consider converting appropriate private Homeowners Association (HOA) Parks to public neighborhood parks.
- 18.16 Incorporate guidelines for the design and development of future HOA parks into the design review process. (These guidelines are included in the Parks, Facilities and Recreation Programming Master Plan.)
- 18.17 Consider restrooms at new parks based on guidelines established in the Parks, Facilities, and Recreation Programming Master Plan. At neighborhood/school parks, encourage the design and location of restrooms that can serve both the park and the school.
- 18.18 Actively pursue grants, donations, corporate sponsorships, and joint projects with other departments, agencies and organizations to supplement acquisition and development revenues.
- 18.19 Encourage establishment of a non-profit foundation to support parks and recreation facilities and programs.
- 18.20 Establish operations and maintenance cost-recovery goals for various facilities and programs. Establish which types of programs should be self-supporting, and which programs may be partially subsidized by the City. Coordinate user fee schedules with MHUSD so that School District and City facilities have consistent user fees.
- 18.21 Enhance scholarship programs to assist with program fees and equipment costs for low-income youth.
- 18.22 Establish measurable maintenance standards for parks and recreational facilities to encourage a consistent and high level of maintenance.
- 18.23 Regularly review and update the Parks, Facilities and Recreation Programming Master Plan to measure progress, and address unforeseen future needs and conditions. The Master Plan should be reviewed annually as a part of the City's regular budgeting process. A more thorough review of the Master Plan should occur every five years.
- 18.24 Investigate the potential for development of hiking trails on the open space/greenbelt areas of El Toro.

## Schools

The Morgan Hill Unified School District extends from south San Jose through San Martin. It includes all of Morgan Hill, portions of San Jose, and unincorporated areas including Coyote and San Martin. Governed by policy decisions of a locally-elected, seven-member Board of Education, the District operates ten elementary schools, two middle schools, one comprehensive high school, one continuation high school, a Community Adult School, a District central office, and a corporation yard (see Map 3).

The District has chosen to participate in class-size reductions through the third grade, and has adopted both room capacity standards and instructional space requirements for the schools within its jurisdiction. With total enrollment nearing

**Table 4. School District Enrollment**

Year	K-6	7-9	10-12	Total
1999/2000	5,173	2,161	1,922	9,256
2003/04	5,292	2,285	1,986	9,563
2007/08	5,464	2,252	2,062	9,778

*Morgan Hill Unified School District, 2000*

10,000 students, the District anticipates the need to build additional school facilities in Morgan Hill in the near future (see *Table 4*). The *Land Use Diagram* indicates general locations for new public elementary schools.

The city also contains private schools for elementary aged children, including Carden Academy, Morgan Hill Country School, Montessori Learning for Living, St. Catherine's Catholic, and South Valley Christian. Gavilan Community College based in Gilroy (10 miles to the south) offers higher education opportunities, including at a Morgan Hill satellite campus.



## Goal 19. Coordinated urban and school development

### Policies

- 19a. Work with the Morgan Hill Unified School District to assure coordinated planning for school facilities needed in conjunction with new development, and to identify appropriate locations for future school facilities.
- 19b. Encourage the Morgan Hill Unified School District, Gavilan College and private schools to develop a strategic plan for and construct schools to coincide with the planned future growth of the city.
- 19c. Encourage the Morgan Hill Unified School District to develop a mechanism to ensure that residential development in the County and San Jose pays fees comparable to those paid in the city.
- 19d. Encourage the upgrading of elementary school facilities to serve as the focal point of each neighborhood's social, cultural, vocational and recreational, as well as educational, activities.
- 19e. Cooperate with the City of San Jose, Santa Clara County, and the Morgan Hill Unified School District to insure a high quality education experience for school age children by providing adequate and safe school facilities, preventing overcrowding, and providing school locations convenient to the population served.
- 19f. Encourage the Morgan Hill Unified School District to consider locating an elementary and/or junior high school east of Murphy Avenue between Dunne and Tennant Avenues, as appropriate to accommodate future growth.
- 19g. To allow school facilities to be used most efficiently and to minimize busing needs, residential development should occur in areas served by existing schools. Contiguous residential development and infill development within built-up areas should be encouraged. (SCJAP 4.05)
- 19h. Control the pattern and timing of growth in a way that allows the school districts to plan and finance facilities in an orderly fashion. (SCJAP 4.02)
- 19i. Where appropriate, promote the concept of the neighborhood school, which provides education to the children in the neighborhood and serves as a resource facility to the residents. (SCJAP 4.06)
- 19j. Coordinate community development and school development to optimize educational goals and enhance the school's role as a community resource. (SCJAP 4.00)
- 19k. In order to avoid *de facto* segregation in schools, plan housing for low and moderate income families throughout the South County where urban



services are available. Avoid concentration of such housing in any one area. (SCJAP 4.09)

- 19l. Ensure that secondary and college facilities are sited so that impacts typically associated with those uses (such as traffic, noise and lighting) are adequately mitigated.
- 19m. Encourage the Morgan Hill Unified School District to locate elementary schools at the locations designated on the Land Use Diagram.

### **Actions**

- 19.1 Work with the Morgan Hill Unified School District to promote the design and location of schools that are flexible enough to meet the changing population patterns of the city and that can accommodate diverse community activities of the area, as neighborhoods mature.
- 19.2 Work with the school districts, Santa Clara County, and the Cities of San Jose and Gilroy to keep each other informed of growth- and development-related school issues. Hold joint meetings as needed to plan for needed school expansions resulting from new development. (SCJAP 4.01)
- 19.3 Coordinate development with the scheduling of capital funds for schools. (SCJAP 4.03)
- 19.4 Condition development approvals on the availability of schools. (SCJAP 4.04)
- 19.5 Continue to give credits or penalties under the RDCS for the impact of proposed developments on local schools. (SCJAP 4.05)
- 19.6 Coordinate actions with the school districts and other community and social agencies to mobilize additional resources to deal with issues which impact the role of schools, such as drugs, job training and teenage pregnancy, so that these are adequately dealt with during periods of rapid growth or change. (SCJAP 4.07)
- 19.7 Work with the Morgan Hill Unified School District in selecting sites for new schools to optimize educational goals. (SCJAP 4.08)
- 19.8 Work with the Morgan Hill Unified School District to locate parks and schools together to optimize their multiple use as community facilities and reduce fiscal strain on both agencies. (SCJAP 4.10)
- 19.9 Develop additional funding methods for needed school facilities, since present school financing methods are inadequate and projected growth could more than double school enrollment by 2005. (SCJAP 4.11)
- 19.10 Continue to lobby for state legislation to continue to allow collection of impact fees from industrial and commercial projects. (SCJAP 4.12)
- 19.11 Work with other local governments and the private sector to evaluate the adequacy of available funding, and develop innovative financing techniques for school improvements and construction. (SCJAP 4.13)
- 19.12 Continue to collect development impact fees on new construction to the extent allowed by law. (SCJAP 4.14)
- 19.13 Insure that development impact fees are commensurate with the cost of the public improvements generated by new development, in accordance with state law. (SCJAP 4.15)
- 19.14 Investigate the use of Mello/Roos bond proceeds to fund schools needed in conjunction with the Coyote Valley expansion planned by San Jose. (SCJAP 4.16)

- 19.15 Conduct negotiations between the Morgan Hill Redevelopment Agency and Morgan Hill Unified School District Board to determine if it is appropriate to use Redevelopment Act contributions to assist schools. (SCJAP 4.17)
- 19.16 When appropriate, require industrial and commercial development to provide mitigation for school impacts in accordance with state law. (SCJAP 4.18)

## **Sewer Capacity, Water Supply and Storm Drainage**

The City Sewer, Water System and Storm Drainage Master Plans are being updated in 2001 to reflect changes in volume and system operating conditions, and to coordinate with General Plan policies and actions aimed at accommodating projected growth.

The sewer plan forecasts wastewater flows, assesses collection system ability to convey these flows to the wastewater treatment plant, recommends capital improvements needed to correct existing and projected deficiencies in the collection system, and computes increased connection fees needed to pay for the capital improvement program. The Plan notes that water conservation efforts can be expected to reduce future wastewater production by 10-15 percent.

The water system plan evaluates existing components of the City water supply, storage and distribution system, and includes projections of future demand and needs for facility expansion. The storm drainage plan contains a schedule of recommended storm drain improvements in the city, including installation of an extensive underground pipe system.

## **Goal 20. Efficient wastewater treatment**

### **Policies**

- 20a. Expansion of the joint Gilroy/Morgan Hill Wastewater Treatment Facility should proceed, since additional sewer capacity is a prerequisite for further urban development and urban development is most appropriately served by sanitary sewer systems. (SCJAP 6.00)
- 20b. Septic systems should be used only for low-intensity uses where they will not have a negative impact on the environment. (SCJAP 6.00)
- 20c. Ensure that the total capacity for the Gilroy/Morgan Hill Wastewater Treatment Facility, its timing for completion, and configuration are consistent with SCJAP policies for the overall growth of Morgan Hill and Gilroy.
- 20d. The Cities of Gilroy and Morgan Hill should determine the best method to increase and fund their sewer treatment capacity in order to facilitate development that is consistent with their general plans. (SCJAP 6.01)
- 20e. Fund the Wastewater Treatment Facility expansion in a manner which considers the financing needs of other infrastructure in the South County. (SCJAP 6.01)
- 20f. No new land uses requiring the use of alternative sewage treatment and disposal systems shall be permitted until a reliable track record for the type of system has been documented and conditions for ongoing safe and effective operation have been established. (SCJAP 6.04)



- 20g. Encourage Santa Clara County and the Santa Clara Valley Water District to assist in the Cities' wastewater treatment program, if feasible and agreed to by the participants. (SCJAP 6.02)
- 20h. Determine San Martin's sewage treatment needs with consideration given to the implications of economics, population, land use, environmental concerns and the governmental status of San Martin. (SCJAP 6.03)

#### **Actions**

- 20.1 Update the Sewer Master Plan to reflect changes to the General Plan.
- 20.2 Work with Gilroy to review sanitary sewer needs and plan for the provision of additional sewer treatment capacity to serve Morgan Hill.
- 20.3 Investigate alternative methods for wastewater treatment.

### **Goal 21. Effective management of water resources**

#### **Policies**

- 21a. Manage the supply and use of water more efficiently through appropriate means, such as watershed protection, percolation, conservation and reclamation. (SCJAP 7.00)
- 21b. Ensure that new development does not exceed the water supply. (SCJAP 7.08)
- 21c. Support cooperation among all jurisdictions and agencies pumping water from wells in order to manage the aquifer to preserve the natural ecology of the region, secure the aquifer's utility as a water resource and ensure the water's quality. (SCJAP 7.04)
- 21d. Encourage the Santa Clara Valley Water District to continue developing programs to assure effective management of water resources, such as well monitoring, percolation of imported water, reclamation and conservation. (SCJAP 7.07)
- 21e. Each South County jurisdiction and agency pumping water from wells should be responsible for knowing the demand that its well pumping imposes on the direction of flow of water and how it affects others that are pumping from the same aquifer, in order to prevent adverse impacts on existing groundwater contamination problems. (SCJAP 7.03)
- 21f. Protect streambeds and other appropriate percolation areas from encroachment by urban development. (SCJAP 7.05)
- 21g. Encourage the development of water reclamation facilities where feasible, in order to make reclaimed water available to help meet the growing water needs of the South County region. (SCJAP 7.09)

#### **Actions**

- 21.1 Update the Water Master Plan to reflect changes to the General Plan.
- 21.2 Review the tiered system for water rates to ensure that it encourages conservation without unduly burdening local residents.
- 21.3 Explore use of gray water to help mitigate long-term water shortages.
- 21.4 Explore opportunities to import reclaimed water from the wastewater treatment plant.
- 21.5 Encourage the Santa Clara Valley Water District to continue to allow use of untreated water for irrigating large landscaped areas.

- 21.6 Continue coordination among the South County jurisdictions and the Santa Clara Valley Water District to assure that the South County will get sufficient deliveries of San Felipe water as needs require. (SCJAP 7.06)
- 21.7 Continue programs to identify and seal abandoned and unused wells, as such wells may be prime sources for transferring contaminants from the upper to lower aquifer. (SCJAP 7.01)
- 21.8 Work with other South County jurisdictions to track existing water quality, water supply and water flow monitoring programs. This information should be used to evaluate current regulations and procedures, and to assess the need for new monitoring programs or for revisions or consolidation of existing programs. (SCJAP 7.02)
- 21.9 Work with the Santa Clara Valley Water District to encourage water use efficiency and conservation programs for residences, businesses and agriculture.

## **Goal 22. Minimal local drainage problems**

### **Policies**

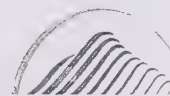
- 22a. Address issues related to flooding throughout the city.
- 22b. Ensure that those residents who benefit from, as well as those who contribute to the need for, local drainage facilities pay for them. (SCJAP 13.02)

### **Actions**

- 22.1 Update the Drainage Master Plan to reflect changes to the General Plan.
- 22.2 Require developers of individual projects to mitigate on- and off-site drainage impacts and, where appropriate, install local drainage facilities which would contribute to an eventual area-wide solution to local drainage problems. (SCJAP 13.00)
- 22.3 Since County maintenance is limited to maintaining local storm drainage facilities which may affect County roads, require additional funding from residents and/or developers for any additional storm drain-related maintenance beyond that which is currently provided. (SCJAP 13.01)
- 22.4 Require a storm water management plan for each proposed development, to be presented early in the development process and describe the design, implementation and maintenance of the local drainage facilities. (SCJAP 13.03)
- 22.5 Work with Gilroy and Santa Clara County to develop a coordinated, interjurisdictional master plan for local drainage in the South County, which includes consideration of the interface between unincorporated areas and City drainage systems. (SCJAP 13.04)
- 22.6 Require developers of individual projects to provide mitigation of drainage impacts and protection of ground-water quality. Such mitigation may include limiting runoff to pre-development levels and/or complete solutions to local drainage problems in the vicinity of the development or downstream, possibly using detention or retention methods. (SCJAP 13.05)
- 22.7 Coordinate with the Santa Clara Valley Water District to ensure compatibility of the local and regional storm drainage systems.
- 22.8 Ensure that the level of detention or retention provided on-site is compatible with the capacity of the regional storm drainage system.



# Economic Development



The Economic Development Element seeks to diversify the local economy with a broad range of retail and service amenities, increase job opportunities for local residents, decrease the need to commute, and expand the city's job base. (*Table 5* lists major employers in the city, and *Table 6* shows employment projections.) This section also contains policies intended to retain and attract appropriate businesses. Many of these strategies, if successful, will help provide greater fiscal strength and stability to the City.

**Table 5. Major Employers in Morgan Hill**

Company	Employees
Anritsu/Wilson	1000
Morgan Hill Unified School District	900
CMS Hartzell	501
Abbott Laboratories	450
Ericsson	430
Cloverleaf Construction	250
Fox Racing	219
Custom Chrome	189
Safeway	173
City of Morgan Hill	164
Sakata Seeds of America	150
Specialized Bicycle Components	140

*City of Morgan Hill, 2000*

**Table 6. Employment Projections - Sphere of Influence**

Sector	1997		2025	
	Jobs	%	Jobs	%
Industrial	2,270	15.8	4,440	12.6
Medical	670	4.7	670	1.9
Non-retail Commercial	1,520	10.6	3,290	9.4
Research and Development	4,840	33.7	18,690	53.1
Retail Commercial	5,060	35.2	8,100	23.0
TOTAL	14,360		35,190	

*City of Morgan Hill, 2000*

Economic research indicates that although Morgan Hill is disadvantaged in attracting certain businesses due to its relatively small population and the nearby location of highly competitive retail areas, the city may have the potential to attract sub-regional retailers to satisfy niches currently missing in its market. Leakage currently exists for services such as restaurants, and goods such as apparel, appliances, books, building materials, electronics, furniture and office

supplies. Local demand also is expected to support another grocery store in the city, while visitor traffic could sustain tourist-oriented businesses.

**Community Development** Goals 9-11 include policies and actions aimed at facilitating development of commercial and industrial uses, including sub-regional retail, tourist-oriented and neighborhood-serving businesses.

## Economic Development Goals

1. A strong, stable and diverse economic base
2. Additional, adequate job opportunities for local residents
3. A viable tourist industry

## Business and Employment Opportunities

The success of the local economy depends on many factors. A primary concern is ensuring that goods and services required by residents, employees and visitors are provided at appropriate locations with convenient access. (As noted above, the local market currently does not meet demand among city residents for certain goods and services.) The City also desires to retain and attract businesses that expand the range of goods and services available, to create and maintain jobs, to diversify the local economy, and to enhance quality of life in Morgan Hill. Accommodating unique, niche retail business in particular can help bolster the city's economic base.

### Goal 1. A strong, stable and diverse economic base

#### Policies

- 1a. Designate sufficient areas of land to promote the development of a balanced community containing adequate jobs, retail services, and commercial activity.
- 1b. Encourage retention and expansion of existing businesses, and attract new businesses, that:
  - generate revenue to the City General Fund (such as retail and point-of-sale manufacturing)
  - help provide greater fiscal strength and stability to the City
  - add diversity to the local economy
  - stimulate other businesses to develop in the area
  - augment or provide a service/amenity presently needed or lacking in the community
  - offer higher-paying, quality jobs for local residents
- 1c. Promote the overlap between visitor and resident serving uses by encouraging retail goods and services that serve both market segments.
- 1d. Promote businesses with manageable impacts on the City's water, storm water, and wastewater systems.
- 1e. Encourage downtown merchants to participate in maintenance of downtown infrastructure.
- 1f. Encourage mixed-use development downtown with residences above ground-floor commercial uses.





- 1g. Ensure that the Circulation Element and road improvement programs provide for adequate, convenient access to commercial, industrial and service areas.
- 1h. Encourage types of economic development that address identified community needs and are planned in such a way as to minimize negative impacts. (SCJAP 2.00)
- 1i. Promote economic development that creates community self-sufficiency in jobs, housing and services, and that creates employment to support the needs of all socioeconomic segments of the South County community. (SCJAP 2.01)
- 1j. Promote a diversified economic base with a variety of job types and skills to insulate the local economy from possible economic downturns. Encourage agriculture as an appropriate part of the economic mix. (SCJAP 2.02)
- 1k. In considering which industries to promote, attention should be given to their impacts on economic development, jobs/housing balance, transportation, energy, public services, water and air quality, and natural and heritage resources. Specifically, recognize the strong interrelationship between industrial growth, jobs/housing balance and transportation systems capacity. (SCJAP 2.03)

#### Actions

- 1.1 Maintain and update the City's Business Assistance Guidelines.
- 1.2 Provide businesses with financial and non-financial assistance, as appropriate, pursuant to the City's Business Assistance Guidelines.
- 1.3 Develop a biennial strategy that details the City's proactive approach to business attraction and retention that identifies the specific industries toward which efforts will be targeted.
- 1.4 Develop and maintain business assistance programs, such as development fee deferral, commercial improvement loans and façade grants to facilitate development of targeted areas including downtown, as appropriate.
- 1.5 Provide infrastructure improvements, as appropriate, to stimulate development along Monterey Road.
- 1.6 Provide business ombudsman services to the community.
- 1.7 When feasible and appropriate, leverage City funds with other funding sources to assist business.
- 1.8 Identify appropriate locations and provide incentives for attracting one or more major catalyst tenants (e.g., offices, retail) to the downtown.
- 1.9 Include within the annual General Plan review an evaluation of the adequacy of land available for commercial/ industrial/service activities.
- 1.10 Maintain business assistance programs to encourage new businesses and industries to locate in and strengthen the viability of the downtown and local business/industrial parks.



## Jobs and Housing

With a significant portion of the workforce commuting to out-of-city employment, Morgan Hill could support new businesses that offer opportunities for residents to work closer to home. Appropriate new jobs in the city could help alleviate peak-hour traffic.

### Goal 2. Additional, adequate job opportunities for local residents

#### Policies

- 2a. In order to minimize the need for workers to commute to Morgan Hill from areas with lower cost housing, encourage businesses that pay salaries sufficient to allow workers to live in the City.
- 2b. Support development of training programs through County agencies, schools and local employers to maintain and expand a local labor force with skills that match anticipated employment needs.
- 2c. Balance job and housing supplies to minimize housing cost increases, traffic congestion and commute times, and to optimize economic diversity and capacity to provide services. (SCJAP 3.00)
- 2d. Attain/maintain a balance of jobs and housing within the city through: a) general plan land use designations, b) zoning and other land use controls, c) growth rate controls, d) sewer capacity allocations, and e) policies to attract industry that will hire local residents. (SCJAP 3.01)
- 2e. As urban development and jobs should be provided within the city, the City shall not seek to balance jobs and housing in unincorporated areas. (SCJAP 3.08)

#### Actions

- 2.1 Work with the Association of Bay Area Governments to ensure that the fair share housing allocation for Morgan Hill is appropriate.
- 2.2 Monitor the jobs/housing ratio in the city and Coyote Valley as development proceeds, so that appropriate policies to maintain balance can be implemented. (SCJAP 3.03, 3.04, 3.05)
- 2.3 Establish the City's role in implementing a Jobs/Housing Monitoring Program, and develop: a) a workable definition of jobs/housing balance, b) criteria for assessing the effectiveness of remedial actions, and c) a process for investigating area-wide transportation improvements or traffic management programs that will address the effects of any jobs/housing imbalance. (SCJAP 3.06)
- 2.4 If actions to correct jobs/housing imbalances are determined ineffective, undertake additional transportation improvements and housing programs that will offset negative impacts. (SCJAP 3.07)
- 2.5 Work jointly with the City of San Jose to minimize impacts of Coyote Valley development on the South County jobs/housing balance. (SCJAP 3.09)
- 2.6 If a jobs/housing imbalance in rural South County areas results in increasing costs for service provision and declining revenues available to cover these costs, initiate joint Cities/County discussions of ways to mitigate the impacts. (SCJAP 3.10)



## Tourism

Morgan Hill and its businesses can benefit from economic activity associated with single-day or overnight visits. Much of this activity will be limited to establishments near the Highway 101 corridor, but some tourists could seek more active experiences involving recreation (including around Anderson and Uvas Reservoirs), entertainment (Bonfante Gardens) and the agricultural heritage of the city (such as at businesses related to fruits, vegetables and viticulture).

### Goal 3. A viable tourist industry

#### Policies

- 3a. Encourage tourism, including agritourism, as a local industry.
- 3b. Emphasize public projects that support tourism (e.g., cultural center, special events venue).
- 3c. Encourage location of tourist and recreation oriented commercial development along the freeway.

#### Actions

- 3.1 Work with the local Chamber of Commerce to promote and stimulate tourism activity, including by increasing distribution of information about county and regional parks, recreation facilities, and area wineries, breweries, working agriculture, and eating and drinking establishments.
- 3.2 Actively promote development of tourist-oriented commercial, industrial, and recreational uses and facilities, including such uses as lodging, meeting and conference centers, outdoor restaurants, wine and beer tasting, and farmers markets.

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# Circulation

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The Circulation Element offers mechanisms for making Morgan Hill a safe and efficient place to travel, whether by train, bus, car, bike or foot. It contains goals, policies and actions aimed at making the existing road network more efficient and user-friendly, solving existing traffic and parking problems, and expanding transit and non-motorized travel opportunities.

## Circulation Goals

1. A balanced, safe and efficient circulation system for all segments of the community
2. Coordinated transportation planning efforts with local, regional, State and Federal agencies
3. A coordinated, continuous network of streets and roads
4. Emphasis on transportation improvements in the Butterfield/Monterey corridor
5. Adequate off-street parking
6. A safe and efficient transit system that reduces congestion by providing viable non-automotive modes of transportation
7. A useable and comprehensive bikeway system that safely connects neighborhoods with workplaces and community destinations
8. Expanded pedestrian transportation opportunities

## Traffic and Transportation

Housing and job growth is projected to cause vehicle trips to more than double in the city in 20 years (and increase by more than half between Morgan Hill and other areas). Congestion in Morgan Hill is substantially affected by regional traffic. As long as Highway 101 capacity does not meet demand, regional traffic will continue to use local roads.

The roadway configurations in this Circulation Element are intended to accommodate traffic forecast to occur by 2025. By then, almost half of peak-hour traffic on Monterey Road, Santa Teresa Boulevard and Butterfield Boulevard is expected to consist of vehicles traveling through the city, primarily to bypass the highway. Forecasts indicate regional demand will also affect the Hill Road Corridor and Murphy Avenue, as well as major east-west roadways (Cochrane Road, Main Avenue, Dunne Avenue, Tennant Avenue, Watsonville Road, Maple Avenue, and Middle Avenue) used to access north-south roadways and the highway. East-west travel also will rise due to new retail, office, industrial, and research and development activity in the city.

As part of the development of this Circulation Element, alternative road improvements and land use patterns were proposed and tested. As a result of that

process, an area-wide road system was identified that would accommodate projected traffic volumes at acceptable levels of service. The policies pertaining to transit, ridesharing and non-motorized transportation (under Goals 6 and 7) are intended to at least achieve the 10 percent trip reduction assumption built into the current VTA model.

## Planned Transportation System

The city transportation system is envisioned as a coordinated combination of public transit and private vehicles, with the majority of trips continuing to be made by private automobile.

Policies in this element reflect existing public transportation service, support expansion of CalTrain commuter service in the South County and encourage other alternative transportation systems, including light rail. Expanded express bus service to employment centers and the CalTrain station will be encouraged, and new bicycle and pedestrian facilities are encouraged.

Travel forecasts show that substantial roadway improvements will be required. The local road network will need to be improved to handle increases in both regional travel passing through Morgan Hill and local traffic generated within the city. The number of lanes on Highway 101 will have a substantial effect on the needed width of local roadways in Morgan Hill. If the capacity of Highway 101 is not increased to meet the demand generated by increased regional traffic, more vehicles will divert off of the freeway, resulting in the need for wider local roadways.

This Circulation Element encourages the widening of Highway 101 to the extent needed to meet forecasted future demand. However, possible right-of-way constraints may result in 10 lanes being the maximum width of Highway 101. Additionally, the direct financial cost, the environmental impacts, and the cost of environmental mitigation measures may make the widening of Highway 101 beyond 8 lanes difficult. Therefore, right-of-way for the city roadway system is based on the assumption that Highway 101 will be 8-lanes wide through Morgan Hill, while improvements would initially be constructed assuming Highway 101 would be 10-lanes wide. This allows both the construction of narrower roads in the near-term and longer-term widening if Highway 101 is not built to 10 lanes.

Major features of the future circulation system are shown on *Map 4* and summarized below.

**North-South Roadways.** The following is a summary description of major north-south roadways.

**Highway 101.** This Circulation Element encourages the widening of Highway 101 through Morgan Hill to the extent needed to meet future demand.

**Monterey Road.** This Element calls for four lanes between a point just north of Cochrane Road and a point just north of Watsonville Road, and six lanes between Burnett Avenue and a point just north of Cochrane Road (where one southbound lane becomes an eastbound left-turn lane) and from a point just north of Watsonville Road south to San Martin,



pending the outcome of special studies to evaluate alternatives for connecting Butterfield Boulevard to Monterey Road at both the north and south ends of the city and for connecting Monterey Road to the Santa Teresa Corridor (see Action 4.1).

**Butterfield Boulevard.** As of 2001, Butterfield Boulevard extends from Cochrane Road to San Pedro Avenue. North of Cochrane Road, it is planned to be a 2-lane collector that connects to Madrone Parkway. South of Cochrane Road, it is envisioned as a 6-lane arterial with no on-street parking, primarily to keep Monterey Road four lanes through the downtown and to minimize through traffic on Santa Teresa Boulevard. Butterfield Boulevard would connect with Monterey Road near East Middle Avenue (pending the outcome of special studies called for by Action 4.1).

**Santa Teresa Corridor.** The Santa Teresa Corridor, which includes Santa Teresa Boulevard, Sunnyside Avenue, DeWitt Avenue, and Hale Avenue, is envisioned as a single continuous route. At 2025, the width of the Santa Teresa Corridor would be four lanes north of Dunne Avenue, and two lanes south of Dunne Avenue. However, the ability to widen the Corridor to four lanes south of Dunne Avenue should be maintained to accommodate potential traffic increases beyond 2025.

**Murphy Avenue Corridor.** Murphy Avenue exists south of Diana Avenue. This Circulation Element encourages the northern extension of Murphy Avenue to connect with St. Louise Drive, and designates the Murphy Avenue Corridor as a 4-lane arterial. St. Louise Drive extends north to Barrett Avenue as a collector. This Circulation Element also encourages the consideration of a new interchange on Highway 101 at East Middle Avenue, with a design that would allow vehicles to transition between Highway 101 south of East Middle Avenue and Murphy Avenue north of East Middle Avenue.

**Hill Road Corridor.** Hill Road exists between East Main Avenue and Maple Avenue. This Circulation Element encourages the northern extension of Hill Road to connect with Peet Road, and designates the Hill Road Corridor as a 2-lane arterial. However, the General Plan encourages a 4-lane right-of-way width for the Hill Road Corridor to accommodate potential traffic increases beyond 2025.

**Condit Road.** This Circulation Element designates Condit Road as a 2-lane collector. However, the General Plan encourages a 4-lane right-of-way width for Condit Road to accommodate potential traffic increases beyond 2025.

**East-West Roadways.** The following is a summary description of major east-west roadways.

**Cochrane Road.** This Circulation Element designates Cochrane Road as a 6-lane arterial with no on-street parking from Monterey Road east across Highway 101 to Mission View Road, with four lanes from there east to Peet Road.

**Edmundson Avenue.** This Circulation Element designates Edmundson Avenue as a 4-lane arterial from Monterey Road to the Santa Teresa Corridor.

**Madrone Parkway.** This Circulation Element designates Madrone Parkway as a 4-lane arterial from Monterey Road to Hale Avenue and as collector from Hale Avenue to Butterfield Blvd.

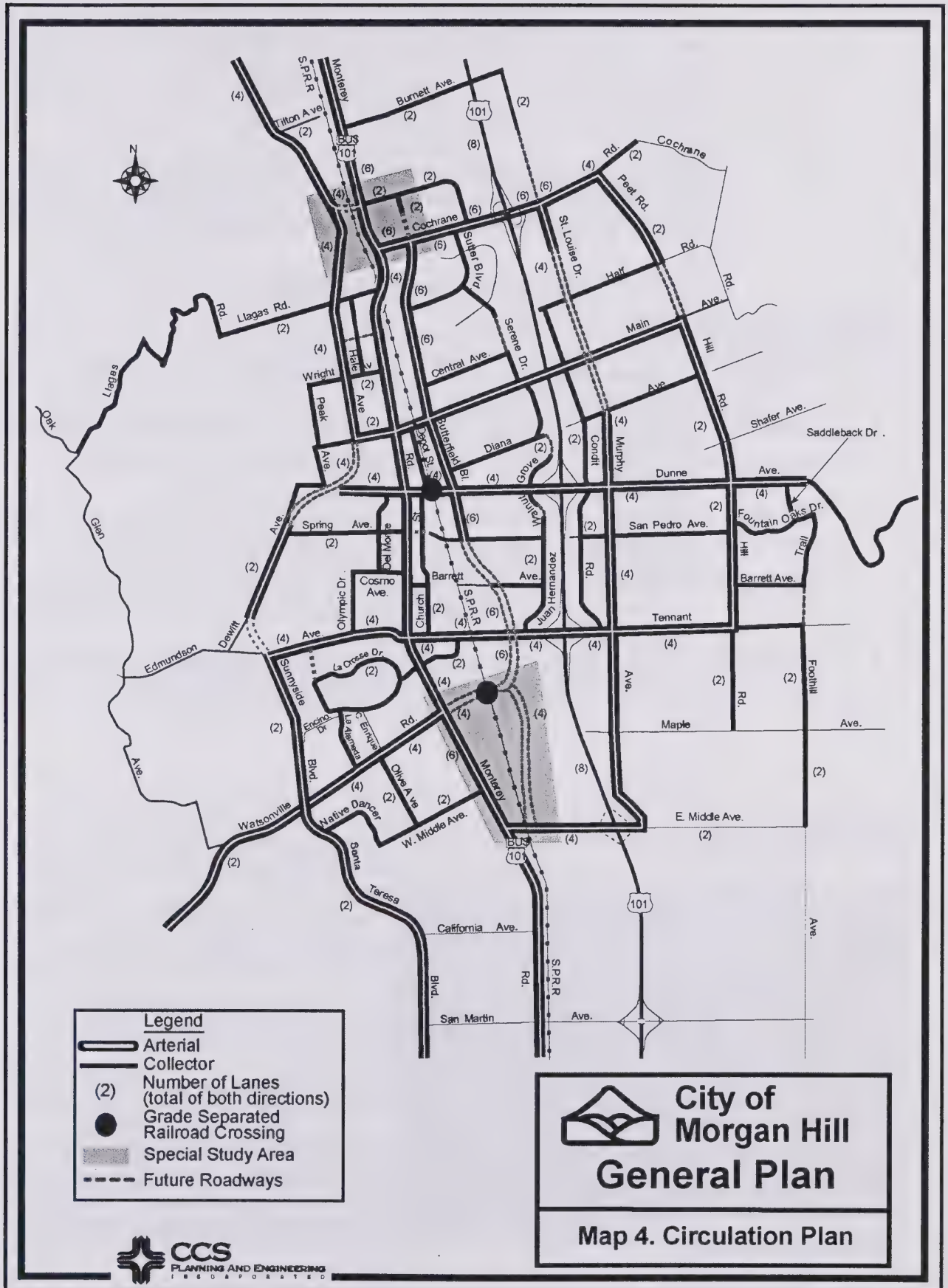
**Main Avenue.** This Circulation Element designates Main Avenue as a 2-lane arterial from Hale Avenue to Depot Street and a 4-lane arterial from Depot Street to Hill Road.

**Dunne Avenue.** This Circulation Element designates Dunne Avenue as a 4-lane arterial from the Santa Teresa Corridor to Gallop Drive.

**Tennant Avenue.** This Circulation Element designates Tennant Avenue as a 4-lane arterial from Monterey Road to Hill Road.

**Watsonville Road.** This Circulation Element designates Watsonville Road as a 4-lane arterial from the Santa Teresa Corridor to Butterfield Boulevard.





## Level of Service

Level of Service (LOS) is a way of measuring how well a road is operating, based on the ratio of the volume of traffic to the capacity of the road (see *Table 7*). LOS A is a free flowing condition, with volume to capacity at 0.59 or less. LOS F is extreme congestion, with traffic volumes at or over capacity.

The planned city circulation system is designed to operate at LOS D+, except at several intersections where achieving LOS D+ at General Plan buildout would require extraordinary development expenditure and right-of-way acquisition.

**Table 7. Level of Service Definitions**

### Roadway Segments

LOS	Acceptability	Description
A	Acceptable	Conditions of free flow. Speed is controlled by driver's desires, speed limits or physical roadway conditions, not other vehicles.
B	Acceptable	Conditions of stable flow. Operating speeds beginning to be restricted, but little or no restrictions on maneuverability.
C	Acceptable	Conditions of stable flow. Speeds and maneuverability somewhat restricted. Occasional back-ups behind left-turning vehicles at intersections.
D	Marginally Unacceptable	Conditions approach unstable flow. Tolerable speeds can be maintained but temporary restrictions may cause extensive delays. Speeds may decline to as low as 40 percent of free flow speeds. Little freedom to maneuver; comfort and convenience low.
E	Unacceptable	Unstable flow with stoppages of momentary duration. Average travel speeds decline to one-third the free flow speeds or lower, and traffic volumes approach capacity. Maneuverability severely limited.
F	Unacceptable	Forced flow conditions. Stoppages for long periods, and low operating speeds (stop-and-go). Traffic volumes essentially at capacity over the entire hour.

### Intersections

LOS	Delay/Vehicle	Description
A	0 - 5 seconds	Free/Insignificant Delays: No approach phase is fully utilized by traffic and no vehicle waits longer than one red indication.
B	5 - 15	Stable Operation/Minimal Delays: An occasional approach phase is fully utilized. Many drivers begin to feel somewhat restricted within platoons of vehicles.
C	15 - 25	Stable Operation / Acceptable Delays: Major approach phases fully utilized. Most drivers feel somewhat restricted.
D+	25-28	Intersection operation begins to approach unstable condition with minimally acceptable delays. Most drivers feel restricted. On rare occasion, drivers have to wait through more than one red signal indication.
D	28 - 40	Approaching Unstable/Tolerable Delays: Drivers may have to wait through more than one red signal indication. Queues may develop but dissipate rapidly, without excessive delays.
E	40 - 60	Unstable Operation/Significant Delays: Volumes at or near capacity. Vehicles may wait through several signal cycles. Long queues form upstream from intersection.
F	> 60.0	Forced Flow/Excessive Delays: Represents jammed conditions. Intersection operates below capacity with low volumes. Queues may block upstream intersections.

*CCS Planning and Engineering*



## Goal 1: A balanced, safe and efficient circulation system for all segments of the community

### Policies

- 1a. Plan, construct and maintain a coordinated and efficient system of local streets and highways throughout the community.
- 1b. Plan for roadway system right-of-way based on the assumption that Highway 101 will be 8-lanes wide through the city, but plan initial roadway improvements based on the assumption that Highway 101 will be 10-lanes wide.
- 1c. Provide a balanced transportation system which assures access to all, and which integrates all appropriate modes of transportation into an effectively functioning system, including such modes as auto, ride sharing, public transit, bicycling and walking. (SCJAP 11.00 & 11.01)
- 1d. Ensure compatibility of the transportation system with existing and proposed land uses, promoting environmental objectives such as safe and uncongested neighborhoods, energy conservation, reduction of air and noise pollution, and the integrity of scenic and/or hillside areas. (SCJAP 11.02)

### Action

- 1.1 Develop techniques for ensuring that right-of-way is available at appropriate times and locations to accommodate traffic conditions associated with an 8-lane configuration for Highway 101.

## Goal 2: Coordinated transportation planning efforts with local, regional, State and Federal agencies

### Policies

- 2a. Work with the County to maintain a long-range coordinated regional transportation system, using highways, commuter rail systems, High Occupancy Vehicle (HOV) and bus lanes on freeways.
- 2b. Work with the County and other agencies to plan and develop an effective sub-regional long-range transportation system to link Morgan Hill with areas to the north and south without promoting congestion, particularly along Monterey Road and Santa Teresa Boulevard.
- 2c. Work with the Santa Clara County Valley Transportation Authority (VTA) toward relieving congestion in the city by improving access to the freeway.
- 2d. Encourage VTA and Caltrans to



widen Highway 101 to 8 lanes to accommodate expected near-term traffic volume, and to 10-lanes when appropriate to accommodate future traffic volume.

- 2e. Integrate planning for land use and transportation development by insuring that the timing, amount, and location of urban development is consistent with the development of the transportation system capacity, and that land uses are designed to promote use of appropriate transportation modes. (SCJAP 11.05)

#### **Actions**

- 2.1 Support the VTA T 2020 Plan and actions to update and expand this planning process.
- 2.2 In cooperation with the County, work with the Association of Bay Area Governments, the Metropolitan Transportation Commission, Caltrans, and the U.S. Department of Transportation to implement the regional transportation plan.
- 2.3 Work with the VTA to develop a Transit Management Plan addressing multiple transportation modes as a means of reducing vehicle trips during peak traffic hours.
- 2.4 Schedule Morgan Hill traffic model updates to coincide with VTA model updates.
- 2.5 Improve coordination and cooperation between the South County Cities and the County on all South County transportation planning. (SCJAP 11.07)
- 2.6 Conduct a study to identify techniques to accomplish the following objectives and incorporate the techniques identified in the study into approvals for future private development and Capital Improvement Planning.
  1. Provide traffic calming on City streets.
  2. Move traffic with destinations outside of Morgan Hill to Highway 101 efficiently, minimizing impacts on local streets.
  3. Keep traffic using Highway 101 for access to areas outside of Morgan Hill on that Highway and off local streets.

### **Goal 3: A coordinated, continuous network of streets and roads**

#### **Policies**

- 3a. Achieve and maintain an equitable, full-cost recovery funding and capital expenditure system to ensure that roadways are constructed or improved when needed.
- 3b. Avoid creating incomplete public improvements that create public safety hazards.
- 3c. Require developers to provide for the construction of their portion of arterial and collector streets at the time of development.
- 3d. As the design criteria for roadway improvements, use LOS E at freeway ramp intersections and LOS D+ or better elsewhere, except use LOS D at the following intersections (where achieving LOS D+ would require extraordinary development expenditure and right-of-way acquisition):
  - Madrone Parkway and Monterey Road



- Tennant Avenue and Butterfield Boulevard
- Watsonville Road and Monterey Road

- 3e. To the maximum extent possible, fund those road improvements that are required to correct existing deficiencies from general road fund revenues.
- 3f. Require the following streets to be built to arterial standards in the locations, and at the widths, shown on the Circulation Element Map, and encourage the County to improve these roadways to arterial standards in unincorporated areas:

#### **North/South Roadways**

- Butterfield Boulevard (Cochrane Road to Monterey Road near East Middle Avenue)
- Hill Road Corridor (Cochrane Road to Tennant Avenue)
- Monterey Road
- Murphy Avenue Corridor (Cochrane Road to East Middle Avenue)
- Santa Teresa Corridor

#### **East/West Roadways**

- Cochrane Road (Monterey Road to Peet Road)
- Dunne Avenue (Santa Teresa Corridor to Gallop Drive)
- Edmundson Avenue (Santa Teresa Corridor to Monterey Road)
- Main Avenue (Hale Avenue to Hill Road Corridor)
- Madrone Parkway (west of Monterey Road)
- East Middle (Monterey Road to Murphy Avenue)
- Tennant Avenue (Monterey Road to Hill Road)
- Watsonville Road

- 3g. Require development that occurs along arterial streets to obtain access through a local street or major entrance and not through curb cuts directly onto the arterial street wherever possible.
- 3h. Require Planned Unit Developments (PUDs) for commercial, office or industrial uses at the intersections of Highway 101 and arterial streets (as designated on the Circulation Element Map) to take access from a public street intersecting with the arterial street a minimum distance of 600 feet from the freeway on and off ramps unless the City Engineer finds that direct access to the arterial street or closer access will meet safety standards or that mitigating actions will be taken to ensure safe access and minimum interference with traffic flows.
- 3i. Plan for the construction of grade-separated crossings of the Union Pacific railroad to improve emergency vehicle response times, and minimize conflicts between railroad trains and on-road vehicles. Grade-separated crossings should be encouraged at the following locations:
- Dunne Avenue,
  - the future easterly extension of Watsonville Road, and
  - north of Cochrane Road (study possible locations for this third crossing).

- 3j. Give special consideration to the design of Monterey Road, balancing its dual function as an arterial street and as an access road to the downtown and the major commercial areas of the city.
- 3k. Require arterial streets to be designed as well landscaped boulevards and minimize the use of fences and walls in adjacent developments wherever possible.
- 3l. Continue to implement the program for planting street trees and landscaping arterial streets and major intersections.
- 3m. Establish and maintain the right-of-way for two continuous arterial streets east of Highway 101, generally utilizing the existing alignments of Murphy Avenue and Hill Road.
- 3n. Work with the appropriate agencies toward providing an interchange on Highway 101 at Middle Avenue, transitioning to a north/south arterial aligned east of Highway 101.
- 3o. Cooperate with the County in efforts to connect Murphy Avenue to St. Louise Drive and Burnett Avenue, and Hill Road to Peet Road.
- 3p. Continue to reserve right-of-way for Santa Teresa Boulevard to be widened to four lanes south of Dunne Avenue to accommodate potential traffic increases beyond the year 2025.
- 3q. Periodically review speed limits on all city streets.
- 3r. Require the following streets to be built to collector standards in the locations designated on the Circulation Element Map, and encourage the County to improve these roadways to collector standards in unincorporated areas:

#### **North/South Roadways**

- Church Street (Dunne Avenue to Tennant Avenue)
- Condit Road
- Del Monte Street (Llagas Road to Wright Avenue, Dunne Avenue to Cosmo Avenue)
- Depot Street
- DeWitt Avenue (Dunne Avenue to Spring Avenue)
- Foothill Avenue
- La Alameda Drive
- Madrone Parkway (east of Monterey Road)
- Murphy Avenue Corridor (north of Cochrane Road)
- Old Monterey Road (Llagas Road to Monterey Road)
- Olive Avenue
- Olympic Drive
- Peak Avenue
- Saddleback Drive
- Serene Drive - East Lane
- Sutter Boulevard
- Trail Drive
- Vista de Lomas Avenue
- Walnut Grove Drive / Juan Hernandez (Tennant Avenue to Diana Avenue)

#### **East/West Roadways**

- Barrett Avenue (Juan Hernandez Drive to Butterfield Boulevard and Church Street to Monterey Road)



- Burnett Avenue (Monterey Road to Vista de Lomas Avenue)
- Central Avenue (Butterfield Boulevard to East Lane)
- Cochrane Road (Peet Road to Malaguerra Drive)
- Cosmo Avenue
- Diana Avenue (Butterfield Boulevard to Laurel Road, Condit Road to Hill Road Corridor)
- East Dunne Avenue (Gallop Drive to Jackson Oaks Drive)
- West Dunne Avenue (Santa Teresa Corridor to DeWitt Avenue)
- Fountain Oaks Drive
- Half Road (Condit Road to Hill Road Corridor)
- Hill Road (Tennant Avenue to Maple Avenue)
- La Crosse Drive
- Llagas Road (Old Monterey Road to Woodland Acres)
- Madrone Parkway (east of Monterey Road)
- Main Avenue (Hale Avenue to Peak Avenue)
- West Middle Avenue
- Native Dancer Drive
- San Pedro Avenue (Spring Avenue Connector to Laurel Road, Condit Road to Hill Road)
- Spring Avenue (Santa Teresa Corridor to San Pedro Avenue Connector)
- Tennant Avenue (Hill Road to Foothill Avenue)
- Vineyard Boulevard (La Crosse Drive to Tennant Avenue)
- Wright Avenue (Monterey Road to Peak Avenue)

- 3s. Preserve options for future transportation facilities in advance of development by such means as identification of routes, reservation of rights-of-way, setback of development to accommodate future width lines, and limiting of access along future major arterials. (SCJAP 11.06)

### **Actions**

- 3.1 Require any proposals to amend the General Plan that would result in an increase in traffic generation to demonstrate that approved LOS standards would be maintained or that mitigation measures are adequate to maintain acceptable LOS on the street system.
- 3.2 Develop an ongoing system of traffic counting and monitoring to determine whether or not service levels are being maintained throughout the community and to ensure that the impacts of new development are based on current traffic data.
- 3.3 Establish thresholds to be used by applicants and City staff in the application of the LOS standard. The purpose of the thresholds would be to ensure consistency in the application of the LOS standard.
- 3.4 Establish guidance addressing the traffic analysis of land uses with special analysis issues. These land uses include schools, churches, and recreational facilities where certain transportation modes (e.g., bicycles or pedestrians), or certain types of analyses (e.g., parking, off-peak periods, or weekend periods) are important.
- 3.5 Maintain, regularly review, and update as necessary, the system of fees and assessments to cover the cumulative impacts of new development

- and land acquisition and construction cost changes on the overall road system.
- 3.6 Establish a list of priorities for roadway improvements and establish funding mechanisms to ensure that roadway improvements can be built when needed.
  - 3.7 Use financial mechanisms such as assessment districts and reimbursement districts for repayment to developers for one-half street and other public improvements not normally required with the development
  - 3.8 Use City capital funds, assessment district funds, and State and Federal grant funds to complete those portions of arterial streets not upgraded by developers.
  - 3.9 Assign all roadways in the city street system to a functional classification. The functional classification system designates the purpose and physical characteristics of the roadways, and is composed of the following seven categories:
    - State Freeway,
    - 2-Lane Arterial
    - 4-Lane Arterial
    - 6-Lane Arterial
    - Commercial/Industrial Collector
    - Residential Collector
    - Local Street
  - 3.10 Establish improvement projects as necessary through assessment districts or by the Redevelopment Agency in the case of Butterfield Boulevard, and Watsonville Road east of Monterey Road.
  - 3.11 Require parcels within 400 feet of each side of the Union Pacific Railroad right-of-way and adjacent to arterial streets (as shown on the Circulation Element map) to develop in a manner that minimizes interference with future grade separations of the railroad tracks and the arterial street.
  - 3.12 Pursue funding sources for conversion of existing at-grade crossings to grade-separated crossings with Union Pacific (e.g., as part of possible future track improvements), and the California Public Utilities Commission (e.g., through CPUC Code Section 1202.5).
  - 3.13 The planning and design of the Watsonville Road extension should include a grade-separated crossing of the Union Pacific Railroad.
  - 3.14 Where appropriate, the street design for Monterey Road should include a landscaped median with left-turn pockets at intervals approved by the City.
  - 3.15 Designate residential properties fronting on Dunne Avenue as Planned Residential Development in order to maximize the potential for improved landscaping and design.
  - 3.16 Landscape and include street trees in the public right-of-way (exclusive of paved areas) and medians.
  - 3.17 Work with the County to develop a strategy to fund construction of the Middle Avenue interchange.
  - 3.18 In cooperation with the County, determine what traffic facilities are needed south of Tennant Avenue and the Hill Road area.
  - 3.19 Construct roadway extensions and connections to complete the roadway system.



- 3.20 Require preservation of right-of-way between existing street portions in order to aid in completing these streets.
- 3.21 Evaluate the feasibility of developing Murphy Avenue as a two lane Arterial or Collector street. The evaluation should assess as two alternatives, the potential of designating Condit Road an Arterial street and reducing land use intensities in the area served by Murphy Avenue and Condit Road.
- 3.22 Prepare alignment studies for the Hill Road and Murphy/Condit Road corridors to determine the most appropriate and efficient way of connecting these discontinuous streets.

#### **Goal 4: Emphasis on transportation improvements in the Butterfield/Monterey corridor**

##### **Policies**

- 4a. Establish and maintain an adequate right-of-way for a major arterial along Butterfield Boulevard, extending from Cochrane Road generally along the alignment shown on the Circulation Element Map to connect with Monterey Road at the south end of town.
- 4b. Connect Monterey Road to Butterfield Boulevard both at the north and south end of town - generally in the vicinity of Cochrane Road at the north, and north of California Avenue at the south.
- 4c. Provide for a new connection of Monterey Road to the Santa Teresa Corridor north of Cochrane Road.
- 4d. Provide for the extension of Watsonville Road east across Monterey Road to connect with Butterfield Boulevard.

##### **Action**

- 4.1 Conduct special studies to evaluate alternatives for connecting Butterfield Boulevard to Monterey Road at both the north and south ends of the city and for connecting Monterey Road to the Santa Teresa Corridor.

#### **Goal 5: Adequate off-street parking**

##### **Policies**

- 5a. Ensure that all developments provide adequate and convenient parking (also see Policy CD-13f).
- 5b. Design development projects with due consideration to linking off-street parking facilities, where applicable.

##### **Actions**

- 5.1 Periodically review parking standards to ensure their adequacy.
- 5.2 Review the existing parking ordinance and amend where needed to provide for adequate on and off street parking throughout the city.
- 5.3 Require cross-connection of parking lots, where applicable, at the time of design review for all commercial and industrial developments.

## Goal 6: A safe and efficient transit system that reduces congestion by providing viable non-automotive modes of transportation

### Policies

- 6a. Coordinate with VTA to provide improved local bus service and to encourage people to ride the bus for local as well as longer trips (e.g., to Gilroy and San Jose).
- 6b. Work with VTA to increase commuter bus service to and from Morgan Hill, including to access mass transit.
- 6c. Investigate the creation of an integrated transit transfer center that would provide convenient transfer between bus, auto and rail.
- 6d. Make existing and future commuter bus service convenient and accessible.
- 6e. Promote improved local transit service, including shuttle service through the downtown and major shopping and employment centers.
- 6f. Support a Countywide car/vanpool matching program.
- 6g. Support Countywide programs to encourage employers to promote use of mass transportation.
- 6h. Encourage employers to provide a flexible set of working hours to ease traffic congestion.
- 6i. Use advanced technologies to enhance and improve safety and mobility.
- 6j. Expand public transit as needed to meet the changing needs of the area for local and regional access, including such methods as bus, dial-a-ride, paratransit and rail, where appropriate. (SCJAP 11.04)

### Actions

- 6.1 Encourage and support CalTrain service expansion in Morgan Hill, including in the reverse commute direction.
- 6.2 Work with VTA toward providing express and commuter bus service to connect Morgan Hill with light rail stations.
- 6.3 Work with VTA in planning for light rail service to Morgan Hill, including location of routes and stations.
- 6.4 Work with the Santa Clara County Valley Transportation Authority (VTA) to develop a transit information center where bus schedules are shown and transfer information is given.
- 6.5 Work with the VTA to install enclosed bus shelters at major bus stops.
- 6.6 Require developers to install bus shelters compatible with City architectural standards, where appropriate.
- 6.7 Investigate the possibility of locating park and ride facilities on the east side of Highway 101.
- 6.8 Investigate methods of working with employers to encourage 10 percent of their employees utilize



carpools, transit or other systems consistent with transportation demand management programs.



- 6.9 Investigate methods of encouraging or requiring employers with 10 or more employees to provide parking with car and van pool spaces convenient to the employee entrance.
- 6.10 Prohibit long-term on-street parking in the industrial and commercial area of the city.
- 6.11 Require all businesses with 100 or more employees to work with county and regional ride sharing associations to coordinate ride sharing programs.
- 6.12 Develop Transportation Demand Management technologies that can improve the performance, reliability, and safety of the transportation system, such as signal coordination, centralized traffic control, red-light and speed enforcement cameras, and real-time travel information.



## Bikeways

Morgan Hill provides an ideal environment for cycling. The City is on relatively flat terrain and enjoys a moderate climate. As a small city, virtually any area is accessible by bicycle. In addition, the City is blessed with scenic surroundings, including many rural roads frequented by recreational cyclists that lead to the adjacent hills and agricultural lands. The City has adopted a Bikeways Master Plan to guide future implementation of a citywide bikeway system (see *Map 5*).

### Goal 7: A useable and comprehensive bikeway system that safely connects neighborhoods with workplaces and community destinations

#### Policies

- 7a. The bikeways system shall recognize and reflect the needs and abilities of cyclists with a diverse range of age and experience, from children learning to ride bicycles to experienced adult commute cyclists.
- 7b. Encourage increased use of bicycles for adults commuting to work and for students traveling to school through a safe and efficient bikeways system, enhanced bicycle parking facilities, and bicycle safety and promotion programs, including showers for bicycle commuters at places of employment.
- 7c. Establish alternative routes, with direct routes on busy streets for experienced cyclists, and less direct routes on bicycle paths and quieter streets for less experienced and recreational cyclists.
- 7d. Development of the bikeways system shall be coordinated with the Santa Clara Countywide Trails Master Plan, the Santa Clara Countywide Bicycle Plan, the South County Joint Area Plan, the Santa Clara County

Bicycle Technical Guidelines, and the California Department of Transportation Highway Design Manual.

- 7e. Where feasible, incorporate the Bicycle Technical Guidelines prepared by the Valley Transportation Authority into City standards for bicycle facility planning and design, including intersection striping, signalization, and railroad crossings.
- 7f. All multi-use bicycle/pedestrian trails shall comply with State and Federal accessibility codes and standards, such as those established by the Americans with Disability Act (ADA) and California Access Code (Title 24, California Code of Regulation).
- 7g. Private roads shall be designated as part of the bikeways plan only if there is an agreement between the City and the appropriate owner for such a designation.
- 7h. Where feasible, implement the bikeways system concurrent with adjacent development.  
 Establish priorities for bikeways implementation based on improving safety and enhancing both commute and recreational cycling. These priorities shall be considered in directing resources and efforts to obtain funding for implementation. Priorities shall be regularly reviewed and updated as implementation proceeds. Current priorities for implementation of the bikeways plan include the following:
  - Live Oak High School Access
  - Little Llagas Creek Trail
  - Santa Teresa and Monterey Highway Corridor Improvements
  - East West Connection to Coyote Creek Trail
- 7i. Incorporate emergency services (fire and police) into the review process for new bikeways.
- 7j. Define safe pedestrian and bicycle routes to all new schools (public and private) during the planning and design process so that these routes can be developed and in place prior to opening the school.
- 7k. For multi-jurisdictional alignments, develop partnerships with Santa Clara County to plan, finance, implement and maintain the bikeways system.
- 7l. Bicycle parking facilities shall be provided at all schools, parks, recreation facilities, commercial centers, civic buildings (including the library), transit centers, and work places based on the recommendations and standards in the Bikeways Master Plan.
- 7m. Where safety permits, improve connectivity by requiring pedestrian and bicycle public access from a cul-de-sac to an adjacent public amenity, such as a park or school, or from a cul-de-sac to an adjacent street.
- 7n. Implement and maintain the City's bikeways system based on standards established in the Bikeways Master Plan.
- 7o. Continue to encourage bicycle safety and promotion programs, in partnership with other agencies and organizations.
- 7p. Promote extension of bicycle paths in conjunction with flood control efforts.





# City of Morgan Hill

## General Plan

### Map 5. Bikeways Plan

#### Existing Parks & Schools Legend

- City Owned Parks
- Schools
- Barrett Elementary School
  - Burnett Elementary School
  - Britton School
  - El Toro Elementary School
  - Proposed High School (Contingent)
  - Alternative Future High School
  - Jackson Elementary School
  - Live Oak High School
  - Nordstrom Elementary School
  - Paradise Elementary School
  - P.J. Walsh Elementary School
  - South Bay Christian School
  - St. Catherine's School

#### Bikeways Legend

Class	Existing	Proposed	Description
1	---	---	Shared-Use Path
2	---	---	Bike Lane, Both Sides
2	---	---	Bike Lane, Existing One Side, Proposed Both Sides. (Existing Shown on Side of Occurrence)
3	---	---	Bike Route
3b	---	---	Bike Route w/Shoulder Striping
	●	○	Traffic Signal
	■	□	Median Refuge
	↔	↔	Bike/Pedestrian Shortcut (May need Easement)
	○	○	Intersection Improvement
	⊗	⊗	Bike/Pedestrian Bridge
	⊗	⊗	Street Bridge
	RR	RR	Railroad Grade Crossing or Over/Undercrossing
	4-6%	7-8%	Hills (Dart Points Uphill)
	9%+		City Limit

Notes:

Where needed, city limit lines were slightly moved to avoid visual conflict between bike lane symbols and the city limit line symbol. Do not refer to this plan for accurate city limit locations.

This map is for planning purposes only. Many of the shared use paths identified on the map are simply proposed and are not currently open to the public for any purpose. On-street bicycle lanes, paths, and routes shown as proposed may have current conditions that are unsafe for cyclists, and the City bears no responsibility or liability for use of such paths.

Map per Bikeways Master Plan prepared by Bellinger Foster Steinmetz, Landscape Architecture, Monterey, CA.







**Actions**

- 7.1 Actively pursue a variety of funding sources for implementation of the Bikeways Master Plan, including development impact fees, incorporating improvements into larger transportation projects, requiring improvements concurrent with development, grants, and joint projects with other agencies. Grant applications shall be focused on priority projects where appropriate.
- 7.2 Coordinate with the Morgan Hill Unified School District (MHUSD) and other schools where appropriate in applying for “Safe Routes to School” and other school-related grant programs to improve bicycle connections to schools.
- 7.3 Establish a development review checklist for use by City staff to evaluate development applications and their consistency with the Bikeways Master Plan, including bicycle parking facilities and off-site improvements where appropriate, such as roadway striping, signage and intersection improvements.
- 7.4 Develop a way-finding system for the City’s bikeways network, including signage along paths, lanes and routes indicating key destination points, and a public bikeways map suitable for public distribution.
- 7.5 Incorporate bikeways maintenance tasks, (such as street sweeping and lane re-striping), into regularly-scheduled street maintenance cycles.
- 7.6 Actively pursue bicycle safety and promotion programs as outlined in the Bikeways Master Plan, encouraging partnerships with the police department, MHUSD, bicycle clubs, and other interested agencies and organizations.

**Goal 8: Expanded pedestrian opportunities****Policies**

- 8a. Ensure adequate pedestrian access in all developments, with special emphasis on pedestrian connections in the downtown area, in shopping areas and major work centers, including sidewalks in industrial areas.
- 8b. Promote walking as an alternate transportation mode for its contribution to health and the reduction of energy consumption and pollution. (SCJAP 11.03).

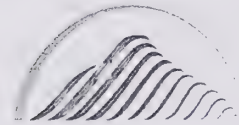
**Actions**

- 8.1 Identify areas where sidewalks should be installed.

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# Open Space and Conservation



The Open Space and Conservation element advocates preserving open space, agricultural uses, hillsides, riparian areas, wildlife habitat and other natural features. Policies seek to establish a greenbelt around the city, preserve El Toro, conserve resources and protect the city's cultural heritage, all to help Morgan Hill retain its rural atmosphere as it continues to grow. A number of policies in this element derive from the South County Joint Area Plan, which addresses a variety of open space, conservation and regional planning concerns.

## Open Space and Conservation Goals

1. Preservation of open space areas and natural features
2. A stable, long-term city boundary reinforced by a greenbelt
3. A viable agricultural industry
4. Preservation of hillside areas as open space
5. Preservation and reclamation of streams and riparian areas as open space
6. Protection of native plants and animals
7. Conservation of natural resources
8. Preservation of the city's historic identity

## Open Space

The abundance of open space within and around Morgan Hill is a key contributor to quality of life for city residents and visitors. Preserving open space, including in conjunction with new development, is essential to maintaining the uniqueness and quality of life of Morgan Hill. In accordance with Measure C lands that are designated "Open Space" on the Morgan Hill General Plan Land Use/Circulation Elements map, as amended through November 19, 2003 are hereby reaffirmed and readopted through fiscal year 2019/20. This provision shall not prevent the City Council from designating additional lands as open space.

### Goal 1. Preservation of open space areas and natural features

#### Policies

- 1a. Work with the County, the Open Space Authority, appropriate conservancy organizations and land trusts, and property owners to preserve large open space areas, such as agricultural lands and outdoor recreation areas to conserve natural resources, retain the city's unique identity.
- 1b. Support agricultural uses that can preserve open space.
- 1c. Preserve and maintain the wide variety of open spaces in the South County. Greenbelts should delineate and provide contrast between the city and adjacent urban areas. A system of city and



- regional parks should be linked by pedestrian ways, trails, and streamside parks. (SCJAP 16.00)
- 1d. A variety of methods shall be used to retain open space and, at the same time, respect the needs and rights of property owners. (SCJAP 16.00)
  - 1e. The South County includes a variety of open space areas, including the valley floor, stream corridors, lands around reservoirs, lands adjacent to scenic highways, foothills, inter-mountain valleys, and mountain areas beyond the foothills. Of these geographic areas, stream corridors, lands around the reservoirs, lands which provide greenbelts, and significant hillside features should receive highest priority for preservation as open space and future regional park location. (SCJAP 16.01 & 16.02)
  - 1f. Support County programs to: a) acquire and develop regional parks in the South County, providing just compensation for the taking of private lands; b) protect open space resources by regulating land use to prevent the introduction of uses incompatible with open space resource preservation, within legally permissible limits, and preserve open space through planning, regulation, acquisition and/or development rights transfer programs; c) plan and regulate land use to avoid hazardous areas and protect critical natural resources; and d) continue to provide property tax relief via the Williamson Act to land owners who agree to maintain their lands in open space uses. (SCJAP 16.21)

#### **Actions**

- 1.1 Identify appropriate lands to preserve as open space.
- 1.2 Formulate a program for open space acquisition and maintenance that could involve a variety of funding sources and stewardship agencies.
- 1.3 Continue to require park land dedication or in-lieu fees from all new development to meet the recreation and open space needs of the residents of Morgan Hill.
- 1.4 Pursue further coordinated action with Gilroy and Santa Clara County, as well as effective individual action, to achieve successful implementation of South County open space goals and objectives. (SCJAP 16.19)
- 1.5 Continue City programs to: a) retain important open space lands through planning for orderly, staged urban development; b) acquire and develop City and neighborhood parks, providing just compensation for the taking of private lands; c) implement portions of trail systems and streamside park chains within their boundaries; d) plan and regulate land use to avoid hazardous areas and protect critical natural resources; e) designate future open space areas on the Land Use map; and f) participate in the development of regional open space preservation programs. (SCJAP 16.20)
- 1.6 Use a variety of open space preservation tools to protect open space in the city, including public acquisition, land use regulation, urban development policy, economic incentives to landowners, open space easements, transfer of development rights, planned cluster development, assessment districts, and dedication of additional lands upon development. (SCJAP 16.17)



## Greenbelt

Maintaining the identity of Morgan Hill by providing a physical separation from San Jose and San Martin has long been important to city residents.

The purpose of the Greenbelt is to help physically define the City and separate it from San Jose and San Martin. The Greenbelt includes both public open space and private properties. Hillside areas within the Greenbelt include those that are the most visually prominent, as viewed from the valley floor. Edges of several Greenbelt areas are at elevations that reflect the beginning of hillside environments. Greenbelt areas on the valley floor include Silveira Park, Malaguerra Park and the Coyote Creek Parkway.

Areas outside of the Urban Limit Line that have been substantially subdivided into parcels smaller than 10 acres generally are not included in the identified Greenbelt areas. These areas are primarily located on the valley floor, outside the city limits. Many of the parcels in these areas are developed or are eligible for construction of single-family homes. The existing and potential density of development in these areas minimize their value as Greenbelt areas. However, the rural character of these areas does help to define and distinguish the urbanized city area from other urban and rural county areas. It is desirable for the City and County to coordinate land use planning activities in these areas.

Identification of areas as "Greenbelt" does not change the development potential or restrictions imposed under Santa Clara County development policies and regulations. Land uses within "Greenbelt" areas would continue to be agriculture, limited new residential uses, parks and other open space with minimal improvements. The City would work with the County to minimize off site visual impacts of new development. In addition, the Greenbelt is intended to identify areas where a targeted program of acquisition of open space easements or fee title to land may occur.

Identified "Greenbelt" areas are shown on Map 6.

### **Goal 2. A stable, long-term city boundary reinforced by a greenbelt**

#### **Policies regarding Creation of the Greenbelt**

- 2a. Establish and maintain a greenbelt to demarcate the urbanized area of the city from surrounding non-urbanized lands.
- 2b. Greenbelt areas should distinguish the urban area of Morgan Hill from San Jose and San Martin. The northern and southern boundaries of the city shall be defined by greenbelts to maintain community identity. (SCJAP 16.13)
- 2c. Protect views of hillsides, ridgelines and prominent natural features surrounding the City. These features help define the City's historic rural character, sense of place, image and identity.
- 2d. In the area between Monterey Road and Highway 101 at the northern Sphere of Influence line, existing urban development precludes the City from providing a non-urban buffer between it and San Jose. The San Jose

Coyote Valley Greenbelt, which includes the area south of Palm Ave. and north of the Morgan Hill city limits and is located within the San Jose Sphere of Influence, will provide the non-urban buffer for that area.

- 2e. Pursue a targeted program for acquisition of Greenbelt land in fee title or conservation easements. Properties that are most threatened with development which, if acquired, would provide significant public benefit should receive the highest priority for acquisition and/or establishment of easement.
- 2f. Acquire undeveloped parcels as a first priority.
- 2g. Acquire easements on properties using an approach that would maintain some appropriate development potential, maximize the use of available funds for greenbelt and open space protection, and minimize land management and maintenance costs.
- 2h. Acquire land in fee title when the City's objectives include allowing public access to the site for recreational or related activities.
- 2i. Acquire properties and easements on a "willing seller" basis. Eminent domain will not be used.

#### **Policies regarding Location of the Greenbelt**

- 2j. Locate the Greenbelt outside of the Urban Limit Line, where practical.
- 2k. Greenbelt areas should include steep hillside areas and areas with other severe geologic or environmental constraints which are located outside of the ULL.
- 2l. Greenbelt areas should include land designated Open Space in the General Plan and located on the fringe of the community.
- 2m. Greenbelt areas should not include unincorporated areas with residential development on lots of less than 10 acres, except in unusual circumstances.

#### **Policies regarding Uses within the Greenbelt**

- 2n. Support County policies or prohibiting commercial and industrial uses (excluding agricultural industry) in the unincorporated and greenbelt areas surrounding the city.
- 2o. The land uses appropriate within a greenbelt, might include: a) low-density residential development on lots 10 acres or more in size; b) public parks and recreational areas; c) privately operated recreation areas (e.g., golf courses and riding stables); and, d) agriculture. (SCJAP 16.16)
- 2p. Within Greenbelt areas, parks and other designated open spaces, scenic/open space easements, golf courses, low intensity public facilities involving minimal permanent improvements and agricultural activities are appropriate uses. Existing residential may remain and new residential uses should be located and designed to have minimal visual and other environmental impacts.
- 2q. Greenbelt areas which are privately owned are not intended for public recreational use.

#### **Actions regarding Creation of the Greenbelt**

- 2.1 Use a variety of tools to create a greenbelt, including public acquisition, land use regulation, urban development policy, economic incentives to landowners, open space easements, transfer of development rights, planned cluster development, assessment districts, and dedication of additional lands upon development.
- 2.2 Develop a comprehensive program for monitoring land uses and acquiring and maintaining certain Greenbelt areas. Components of the program should



include staffing and/or contract resources, identification of and securing funding for acquisition of easements and fee title to property, and administration of the program.

- 2.3 Work with San Jose and Santa Clara County to establish and preserve a defined, permanent greenbelt between Morgan Hill and San Jose in the southern Coyote Valley, comprised of agricultural uses, rural estates, and the Coyote Park chain. (SCJAP 16.13 & 16.14)
- 2.4 Work with San Jose, Gilroy and Santa Clara County to implement plans for the preservation of greenbelts between the cities. (SCJAP 16.22)
- 2.5 Work with San Jose, Gilroy and the County to identify and establish a viable source of funding for acquiring and developing regional parks, pathways, and open space. (SCJAP 16.22)
- 2.6 The highest priority areas for Greenbelt preservation include the east side of El Toro, the Edmundson/DeWitt/Sunset area, and the foothills on the eastern side of the valley north of Dunne Ave.
- 2.7 The second highest priority areas for Greenbelt preservation include the west side of El Toro and the hill area south of Edmundson.
- 2.8 The third highest priority areas for Greenbelt preservation include the west side of Paradise Valley, the Baird Ranch (north of Llagas Road), and the Boy's Ranch/Coyote Creek Park area.
- 2.9 When acquiring fee title or easements, offer property owners fair market value using industry standard appraisal techniques.

#### **Actions regarding Location of the Greenbelt**

- 2.10 The Greenbelt on El Toro should include all lands recommended for open space protection by Action 4.1 of this Element.
- 2.11 The Greenbelt on the western side of Paradise Valley should include land at or above the 490-foot elevation contour line.
- 2.12 The Greenbelt for the hill area south of Edmundson Avenue and north of Sycamore Avenue should include land that is outside the current Urban Growth Boundary and at or above the 490-foot elevation contour line.
- 2.13 Maintain the Boy's Ranch within the Urban Service Area in recognition of the services it is provided, while also identifying it as a Greenbelt area.
- 2.14 Silveira Park and the City-owned lands along Llagas Creek to the west should be included with the Greenbelt.

#### **Actions regarding Uses within the Greenbelt**

- 2.15 Support the County maintaining low densities and large minimum lot size requirements for undeveloped areas not planned for urbanization and lands identified as Greenbelt.
- 2.16 Actively work with the County to find mechanisms that would provide the City with greater influence over development in the unincorporated areas of the City's Sphere of Influence.
- 2.17 Within City hillside Greenbelt areas, new development should be subject to a site and design review process that encourages minimizing environmental impacts including minimizing the amount of grading and encouraging location of structures in areas where they are least visible from the valley floor.
- 2.18 The basic Santa Clara County development review process should be evaluated, updated and strengthened to achieve greater restriction on visibility, from the valley floor and major transportation corridors, of structures in the hillside Greenbelt areas. This updated review process should result in a minimal review process for structures that are not visible from the

valley floor and major transportation corridors, and an extensive review process for structures that are visible.



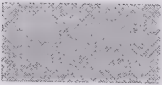




CITY OF MORGAN HILL  
**General Plan**

Map 6. Greenbelt Diagram



-  City Limit
-  Sphere of Influence
-  Non-Urban Greenbelt Areas

April 2006



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## Agriculture

Agriculture has been important to the city as an industry and employment generator throughout its history, in addition to contributing to the city's rural character. Agricultural development policies intend to retain the historic agricultural character of lands surrounding Morgan Hill, and to minimize conflicts between urban development and agricultural uses.

Supporting agriculture requires finding innovative ways to help farming and ranching operations become and remain competitive in an increasingly marginal economic environment.

### Goal 3. A viable agricultural industry

#### Policies

- 3a. Support programs and techniques, including conservation easements and purchase of development rights to encourage the retention of agricultural activities and to minimize conflicts in the transition from agriculture to urban uses.
- 3b. Support agricultural activity by encouraging agriculture-related industry, commercial uses, and community events within the urban area.
- 3c. Support significant agricultural activity within the Sphere of Influence by providing a market for agricultural products (e.g., farmer's market), and decreasing the costs associated with agriculture by allowing such uses to occur in the Sphere of Influence
- 3d. Support use of farming cooperatives within agricultural buffer areas.
- 3e. Support programs to encourage purchase of locally produced agricultural products.



- 3f. Support programs to foster agricultural education.
- 3g. Continue to support the long-term maintenance of agricultural land uses and agriculture as an economic enterprise in

South County, since it contributes to the local economy, helps to delineate urban boundaries, and is a productive use for land which is not immediately planned for urban development. (SCJAP 14.00)

- 3h. Take positive action to encourage agriculture by supporting policies favorable to agriculture. (SCJAP 14.01)
- 3i. Protect agricultural lands from encroachment by incompatible land uses, including urban residential development. (SCJAP 14.02)
- 3j. Maintain the economic viability of agriculture using a variety of methods, such as: contiguous urban development, the designation as agricultural lands those lands which are outside of planned urban areas, minimum lot size designations in agricultural areas, the limitation of land uses in agriculturally-designated areas to agriculture and uses necessary for the support of agriculture, and the encouragement of direct marketing methods. (SCJAP14.02)

- 3k. Establish areas for the permanent preservation of agricultural lands and programs to accomplish that objective, such as exclusive agricultural zoning, transfer of development rights (TDR) programs, and right-to-farm legislation. (SCJAP 14.03)
- 3l. Preserve some prime agricultural lands in South County (particularly within the prime agricultural areas east and south of Gilroy) for agricultural use through appropriate agricultural land preservation tools, such as exclusive agricultural zoning, transfer of development rights (TDR) programs, and right-to-farm legislation. (SCJAP 14.04)
- 3m. In the County, support continuation of the A-20 and A-40 minimum lot size designations in the agricultural area. (SCJAP 14.05)
- 3n. Support the expansion of the "uses compatible with agriculture" category in County zoning ordinances and Williamson Act policies only when such additional uses will clearly contribute to the long-term viability of agriculture. (SCJAP 14.06)
- 3o. Plan for further urban growth to occur in areas which will avoid encroachment into those agricultural lands with the greatest long-term potential to remain economically viable. (SCJAP 14.07)
- 3p. Convert agricultural land that has been designated for urban growth in an orderly manner to retain the stability and viability of remaining agricultural lands as long as possible. (SCJAP 14.08)
- 3q. Support policies of the Local Agency Formation Commission (LAFCO) which would guide urban development away from those agricultural areas with the greatest potential for long-term economic viability. (SCJAP 14.10)

#### **Actions**

- 3.1 Use a variety of techniques to protect agricultural land, including land use regulation, urban development policy, conservation easements (with matching grant funds from appropriate agencies, where possible), and transfer or purchase of development rights.
- 3.2 When new development is proposed adjacent to an existing agricultural operation, require the appropriate buffer to be provided from land within the proposed development.
- 3.3 Participate in direct marketing of locally produced agricultural products, as appropriate.
- 3.4 Wherever existing development patterns and existing and planned roads and other public facilities permit, concentrate urban development adjacent to existing developed areas in order to minimize the impact of development on agricultural land.
- 3.5 Use policies for Urban Service Area extensions and utility extensions to guide urban growth away from long-term agricultural areas. (SCJAP 14.09)
- 3.6 In order to separate agricultural from urban activities, and to minimize land use conflicts, establish buffers between viable agricultural areas and urban expansion areas, limiting activities in these buffer zones to uses which are compatible with both agricultural and urban activities. Specific uses should be defined through an open inter-governmental process. (SCJAP 14.11)
- 3.7 Determine the range of activities permitted in agricultural areas of South County through an intergovernmental process, where the range of allowed uses reflect the activities which are necessary to promote the continued economic viability of agriculture in South County. (SCJAP 14.12)





## Hillside Areas

The slopes that flank Morgan Hill have played a major role in shaping the city. They have kept development primarily on the valley floor, provided a scenic backdrop for the community and open areas in residential projects below them, and generally have enhanced property values. Maintaining open views of the hillsides, as well as preserving their important resources, are City priorities.

### Goal 4. Preservation of hillside areas as open space

#### Policies

- 4a. Retain the city's unique identity by preserving its landmark natural feature, El Toro Mountain, in a rugged, undeveloped state.
- 4b. Preserve scenic hillsides around the city in an undeveloped state, wherever feasible.

#### Actions

- 4.1 Preserve El Toro Mountain in open space above the 500 foot contour line on all sides, with the exception of the Llagas and Paradise Valleys (where all land above the 600 foot contour elevation should be preserved).
- 4.2 Provide for retention of hillside areas as open space through the dedication and/or purchase of scenic easements and/or open space easements, transfer of development rights and other appropriate measures.
- 4.3 Purchase lands and/or open space easements on El Toro through funds provided by a general bond election and/or grants from State, Federal, and private sources.
- 4.4 Work with Santa Clara County Parks and Recreation Department and Open Space Authority to incorporate a portion of El Toro Mountain into the Santa Clara County park system.
- 4.5 All hillside areas with an average slope in excess of 10 percent shall be regulated by the Hillside Ordinance.
- 4.6 Limit all building pads located within the hillside areas to an elevation at or below the 80' vertical drop from the ridgeline.
- 4.7 Limit the hillside/mountain areas to the east and west to low-intensity rural uses compatible with open space in order to maintain their integrity as the South County's major scenic and natural resources. (SCJAP 16.08)
- 4.8 Use the Preservation 2020 Task Force recommendations to support the regulation of hillside development. (SCJAP 16.08)
- 4.9 Implement intergovernmental agreements with the County, such as specific plans, to address land use and development policies for hillside areas, including the visual effects of hillside development on the ridge-lines. (SCJAP 16.09)
- 4.10 Encourage the Santa Clara County Open Space Authority to designate El Toro as a high priority area for preservation.



## Riparian Areas

Five creeks traverse Morgan Hill: Coyote and Fisher Creeks drain north to the San Francisco Bay, and Edmunson, Tennant and West Little Llagas Creeks flow into Monterey Bay. The city creeks and drainages can complement existing and new development by providing recreational access, pedestrian and bicycle connections, and places where people can go to appreciate the natural environment. Efforts to retain and rehabilitate water courses and adjacent banks will benefit the entire community.



### Goal 5. Preservation and reclamation of streams and riparian areas as open space

#### Policies

- 5a. Encourage reclamation of degraded streams and riparian areas.
- 5b. Maintain riparian systems, stream banks and floodways in open space or related open space uses such as wildlife habitat, recreation or agriculture. (SCJAP 16.10)
- 5c. A proposed streamside park along West Little Llagas Creek should be actively implemented and connected to the County trail system. (SCJAP 16.10 & 16.12)
- 5d. Retain natural streamside and riparian areas in their natural state in order to preserve their value as percolation and recharge areas, natural habitat, scenic resources, recreation corridors and for bank stabilization. (SCJAP 15.08)
- 5e. Where flood control projects are needed to protect existing development, minimize disruption of streams and riparian systems, maintaining slow flow and stable banks through design and other appropriate mitigation measures. (SCJAP 15.08)

#### Action

- 5.1 Develop Design Guidelines provisions for preserving, reclaiming and incorporating riparian features into development.
- 5.2 Develop programs for the preservation and reclamation of degraded riparian areas.

## Plants and Wildlife

The City is committed to protecting significant native flora and fauna. Ensuring that development does not compromise existing habitat will be a part of future land use decisions.

### Goal 6. Protection of native plants and animals

#### Policies

- 6a. Preserve all fish and wildlife habitats in their natural state whenever possible. Consider development impacts upon wildlife and utilize actions to mitigate those environmental impacts.
- 6b. Minimize impacts upon wildlife when considering extending annexations, urban service areas, and other governmental actions that permit urban development of previously undeveloped property.
- 6c. Preserve outstanding natural features, such as the skyline of a prominent hill, rock outcroppings, and native and/or historically significant trees.
- 6d. Development shall be designed to conserve soil and avoid erosion. (SCJAP 13.06)
- 6e. Identify and protect wildlife, rare and endangered plants and animals and heritage resources from loss and destruction. (SCJAP 15.09)
- 6f. Access to creeks should be of sufficient width to accommodate trails, flood control access, and protection of riparian habitat. (SCJAP 16.11)
- 6g. Encourage use of native plants, especially drought-resistant species, in landscaping to the extent possible.

#### Actions

- 6.1 Develop Design Guidelines provisions requiring construction activities to avoid disturbance to natural features to the extent feasible.
- 6.2 Minimize development impacts upon wildlife within hillside areas through regulations of the Hillside Ordinance.
- 6.3 Consider development impacts upon wildlife in riparian areas and utilize actions to mitigate those environmental impacts.
- 6.4 Utilize a land modification matrix to evaluate all land modification and environmental impacts upon wildlife.

## Conservation

Conserving resources often depends on modifying established behavior patterns. The plan intends to encourage residents and businesses to conserve resources by providing programs that are easy to participate in.

### Goal 7. Conservation of natural resources policies

- 7a. New development should be designed to exceed State standards for the use of water and energy.
- 7b. Promote energy conservation techniques and energy efficiency in building design, orientation and construction.

- 7c. Maintain the citywide recycling program, including commercial and industrial efforts, as well as downtown recycling bins.
- 7d. All new public buildings should be designed to exceed state standards for energy and water efficiency.
- 7e. Promote aggressive litter control.
- 7f. Preserve Poppy Jasper as a natural resource unique to Morgan Hill.
- 7g. The landscaping plans for new development should address the planting of trees and shrubs that will provide shade to reduce the need for cooling systems and allow for winter daylighting.
- 7h. The City shall develop a comprehensive strategy for using water and energy efficiently at all City facilities.
- 7i. Use of renewable energy generation opportunities should be evaluated for all existing and future public buildings and facilities.
- 7j. The incorporation of renewable energy generating features, like solar panels, should be encouraged in the design of new development and in existing development.
- 7k. Promote water conservation and efficient water use in all public and private development projects and landscaping plans.
- 7l. Encourage use of non-potable water for landscape irrigation.

#### **Actions**

- 7.1 Participate in the formation of a cooperative energy network with other local governments, particularly in Santa Clara County.
- 7.2 In cooperation with PG&E, subject all municipal buildings to an energy audit and perform practicable energy conservation alterations on municipal buildings. Such alterations can include modifying automatic heating and cooling systems, lighting, installation of natural ventilation methods and solar hot water systems, etc.
- 7.3 Develop local ordinances that promote energy conservation and efficiency. Examples of such ordinance include: energy audits, solar access, solar swimming pool heating, insulation and solar retrofit, and solar water heating.
- 7.4 Establish programs under HCD Block Grant rehabilitation or Section 220 funds, to weatherize and solar retrofit existing homes.
- 7.5 Emphasize energy conservation building techniques for new residential construction through the implementation of Chapter 18.78 of the Municipal Code.
- 7.6 In compliance with Section 66473.1 of the State Subdivision Map Act, promote subdivision design that provides for passive solar heating and natural cooling through the Development Review Committee subdivision review procedures.
- 7.7 Investigate ways to increase public awareness and participation in recycling programs.
- 7.8 Require litter control considerations in all commercial development.
- 7.9 Work cooperatively with the County to ensure that City and County regulations prohibit the mining of Poppy Jasper.





## Historic Preservation

The City has an inventory of 54 properties noted for potential historic significance, and has designated 12 of those as cultural resources (see *Table 8*). The 12 sites were chosen because they are related to one or more key aspects of city history.

### Goal 8. Preservation of the city's historic identity

#### Policy

- 8a. Encourage the preservation and rehabilitation of the city's historic structures.

#### Actions

- 8.1 Review and update the inventory of historic resources, as appropriate.
- 8.2 Identify and protect heritage resources from loss and destruction. (SCJAP 15.09)
- 8.3 Prior to approving demolition of historically significant buildings, evaluate alternatives, including structural preservation, relocation or other mitigation, and demonstrate that financing has been secured for replacement use.

- 8.4 Designate historically significant structures or sites as cultural resources, and offer said properties rehabilitation loans or grants.

**Table 8. Designated Cultural Resources\***

	Name	Address	Date
1	Hatch House	35 West Main St.	1907
2	Bone House	95 West Main St.	1899
3	Bruzzone House	145 West Main St.	1890s
4	Page House	17100 Monterey Rd.	1908
5	Methodist Church	17175 Monterey Rd.	1893
6	Votaw Building	17400 Monterey Rd.	1905
7	Morgan Hill House	17860 Monterey Rd.	1886
8	Cribari Winery	18980 Monterey Rd.	1904
9	Acton House	17555 Peak Ave.	1911
10	Grange Hall	40 East Fourth St.	1909
11	McCreery House	25 West Fourth St.	1907
12	Newbold House	20 East Fifth St.	1904

*\*This table is included for informational purposes and is not adopted as part of this General Plan.*

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# Public Health and Safety

The Public Health and Safety element aims to protect persons from any detrimental impacts associated with development by requiring new construction to avoid hazardous areas and materials and/or provide adequate mitigation. This element also intends to safeguard public health by ensuring adequate water quality and by minimizing noise impacts.

## Public Health and Safety Goals

1. Reduction of potential harm to persons or property from geologic/seismic hazards
2. Minimal threat to persons, property and the environment from fire hazards
3. Avoidance of exposure to hazardous substances
4. The least possible damage to persons and property from flooding
5. Protection of water quality from contamination associated with urbanization
6. Cooperative efforts to ensure regional water quality
7. Prevention of noise from interfering with human activity or causing health problems
8. Protection from noise associated with motor vehicles and railroad activity

## Environmental Hazards

Several faults have been mapped or are inferred to underlie the eastern portion of the city (see *Map 7*), and movement associated with more distant and major faults historically has affected Morgan Hill. Hillside areas with landslide potential are of particular concern. Slope stability also requires appropriate treatment of vegetative cover during and after development.

The potential for fire damage increases with distance from the fire stations on Monterey Road and East Dunne Avenue, as well as with elevation above the valley floor. Precautions are proposed to protect hillside areas from wildfire potential.

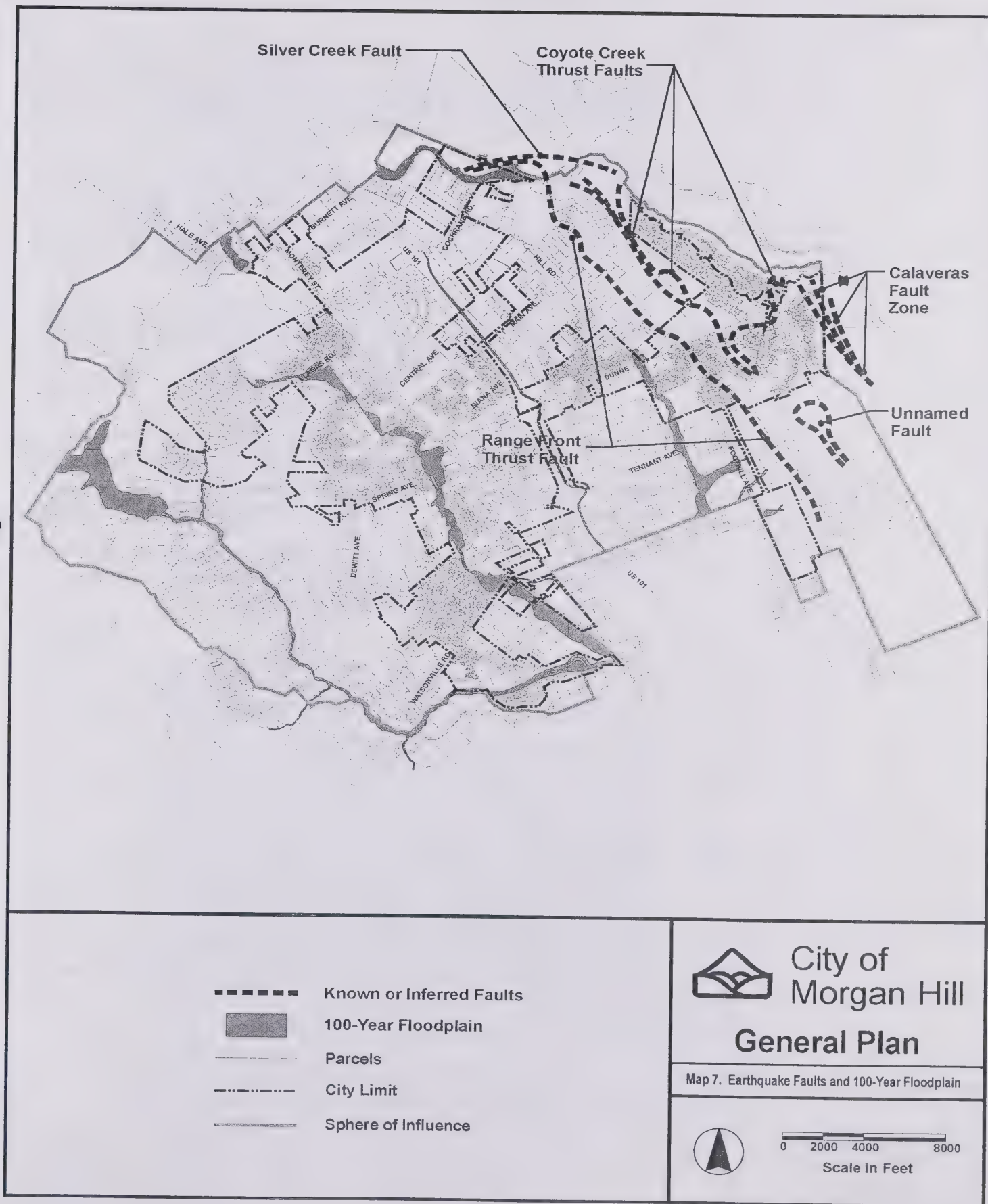
### Goal 1. Reduction of potential harm to persons or property from geologic/seismic hazards

#### Policies

- 1a. Limit uses on lands with geologic hazards.
- 1b. Where urban development has already occurred and there has been extensive capital improvements made, use mitigation procedures for development on lands with geologic hazards, including geologic investigations on a scale commensurate with development where geologic data indicates there is a known or suspected problem.
- 1c. Direct site preparation in hazardous areas at long-term geologic stability.
- 1d. Known or potential geologic, fire, and flood hazards should be reported as part of every real estate transaction, as well as recordation on documents to be reported for building permits, subdivisions and land development reports. Mitigation of hazards should be noted in the same manner.



- 1e. Design and construct critical structures above and beyond the Uniform Building Code requirements, where such measures are deemed necessary from available geologic and engineering data. Critical structures are those structures: a) needed after a disaster - emergency communications, fire stations, hospitals, bridges and overpasses; b) whose continued functioning is critical - major power lines and stations, water lines, and other public utilities; and c) whose failure might be catastrophic (e.g., large dams).
- 1f. Design and construct critical structures to resist minor earthquakes without damage, resist moderate earthquakes without structural damage, and resist major earthquakes of the intensity or severity of the strongest experienced in California without collapse.
- 1g. New development should avoid hazardous and sensitive areas, and should occur only where it can be built without risking health and safety. New habitable structures should not be allowed in areas of highest hazard such as floodways, active landslides, active fault traces, and airport safety zones. In areas of less risk, development should be limited and designed to reduce risks to an acceptable level. (SCJAP 15.00)
- 1h. Hillsides should be protected, and development should be carefully controlled on steep slopes. When hillside land is developed, it should be done with minimum disruption of topography and vegetative cover. (SCJAP 15.00)
- 1i. Continue and improve public education programs that: a) increase awareness of the safety hazards present in South County, b) provide information on mitigation techniques, and c) strengthen public support for adopted policies which might restrict development in hazardous areas. (SCJAP 15.15)
- 1j. Keep development in hazardous areas to a minimum by encouraging low-density, low-intensity uses and the types of uses least disruptive to the soil and vegetative cover. (SCJAP 15.02a)
- 1k. Regulate development in hazardous areas in such a way that it minimizes disruption of the environment and does not trigger or accelerate the hazardous processes which exist in South County. (SCJAP 15.02b.)
- 1l. Prohibit development on known active landslides and limit development in areas where such development might initiate sliding or be affected by sliding on adjacent parcels. (SCJAP 15.02c)
- 1m. Prohibit development in areas where increased runoff from the addition of impervious surfaces and drainage would increase the probability of downslope landsliding, or where additional projects would add to the cumulative effect of increased runoff, unless a downslope drainage improvement plan has been approved. (SCJAP 15.02d)



- 1n. Cluster development in hazardous areas with dwellings grouped on the least hazardous portion of the property. (SCJAP 15.02e)
- 1o. Limit development in less hazardous areas and design it to reduce risks to an acceptable level. (SCJAP 15.03)

#### **Actions**

- 1.1 Continue to require geologic studies for development in hillside areas and geotechnical studies for critical facilities in areas with liquifiable soils.
- 1.2 Enact, adopt and enforce an ordinance incorporating the Alquist-Priolo Act requirements to mitigate negative environmental impacts in geotechnical hazard areas.
- 1.3 Maintain and periodically update a Post-Disaster Contingency Plan, and make it available to all agencies normally involved in post-disaster rehabilitation.
- 1.4 Cooperate with the South County jurisdictions to develop a process for sharing information relating to development activity in areas of geological concern. (SCJAP 15.01)

### **Goal 2. Minimal threat to persons, property and the environment from fire hazards**

#### **Policies**

- 2a. Ensure that appropriate precautions are taken during development to minimize the risk of fire and/or explosion associated with high-pressure gas lines.
- 2b. Minimize development in fire hazard areas and plan and construct permitted development so as to reduce exposure to fire hazards and to facilitate fire suppression efforts in the event of a wildfire. (SCJAP 15.04)
- 2c. Avoid actions which increase fire risk, such as increasing public access roads in fire hazard areas, because of the great environmental damage and economic loss associated with a large wildfire. (SCJAP 15.04)

#### **Actions**

- 2.1 Maintain a long range inspection program for fire prevention with highest priority established by the level of occupancy (high density uses - hotels apartments, offices, theaters and churches) and the nature of occupancy (schools, hospitals, jails and nursing homes).
- 2.2 Continue to support special High Risk Fire Hazard Zones requirements.
- 2.3 Develop alternative north-south access roads through the South County for use in the event that the South Valley Freeway is damaged in a major earthquake. (SCJAP 15.07)
- 2.4 Continue existing development regulations and policies regarding management of hazardous areas, with monitoring to determine their effectiveness. Make policy changes only after review by all three South County jurisdictions. (SCJAP 15.10 & 15.11)
- 2.5 Enforce and maintain current zoning and land development ordinances and policies restricting development on hillsides to low-density, low-intensity uses. (SCJAP 15.12a)



- 2.6 Enforce and maintain strict grading and building regulations to minimize instability of sloping areas and reduce public costs associated with maintaining roads and utilities on unstable slopes. (SCJAP 15.12b)
- 2.7 Require geotechnical investigations on all projects in unstable areas, including areas of expansive soils, prior to construction to insure that the potential hazards are identified and can be properly mitigated. (SCJAP 15.13)
- 2.8 Where appropriate, allow development in areas where a second improved access road has been provided for emergency escape. (SCJAP 15.07)
- 2.9 Update all information regarding hazardous areas to reflect current knowledge. (SCJAP 15.11)
- 2.10 Contract with a consulting geologist for the review of development projects in potentially hazardous areas with costs covered by a fee to the developer. (SCJAP 15.13b)

## Hazardous Materials

Some businesses and activities in the city involve the transport, storage, or use of toxic or hazardous chemicals, which are carefully regulated by State and Federal agencies. Hazardous materials that pose a potential threat to human health include radioactive waste explosives, gasoline, pesticides, and household cleaning products, which are routinely transported on Highway 101.

The City seeks to protect citizens as much as possible from hazardous materials by reducing the potential for incidence or damage in the event of accidents or spills, and ensuring that the appropriate agencies are adequately prepared to deal with a hazardous material emergency.

## Goal 3. Avoidance of exposure to hazardous substances

### Policies

- 3a. In order to minimize potential hazards, require generators of hazardous waste to use on-site pretreatment prior to discharging treated waste effluent into the sewer system, using such methods as neutralization, precipitation and oxidation. (SCJAP 9.05)
- 3b. Continue a program of regular inspections and monitoring to ensure compliance with local, state, and federal regulations, in order to reduce the risks associated with the use and handling of hazardous materials and wastes. (SCJAP 9.00)
- 3c. Continue to implement the Joint Powers Pretreatment Program for industrial and commercial hazardous material users and/or hazardous waste generators, and coordinate as appropriate with MOU inspections, HMSO regulations, and implementation of applicable state laws. (SCJAP 9.01)
- 3d. Continue to inspect regularly activities that store and/or use hazardous materials, including above-ground and underground storage tanks and related equipment, to ensure compliance with the City's Hazardous Materials Storage Ordinance (HMSO). (SCJAP 9.02)
- 3e. Regularly inspect those facilities which store hazardous waste on site for less than 90 days (a time period for which a hazardous materials storage permit is not required). (SCJAP 9.03)
- 3f. Require submittal of a hazardous materials handling plan as a prerequisite for developments requiring zone changes and use permits. (SCJAP 9.04)

- 3g. Support County and Santa Clara Valley Water District programs to encourage source reduction and waste minimization by smaller firms which generate hazardous wastes. (SCJAP 9.06)
- 3h. Vehicles and other equipment that may threaten the quality of water from leaking fuel tanks or oil spills should be removed from the site and/or repaired. (SCJAP 9.07)
- 3i. Work with Gilroy, Santa Clara County, Santa Clara Valley Water District, Regional Water Quality Control Board, and local community groups to coordinate and implement public education programs regarding hazardous materials and waste management. (SCJAP 9.08)
- 3j. During the implementation of "AB 2185" (Calif. Health and Safety Code Chap. 6.95 Division 20 Section 25500 et seq.) and successor legislation, make major efforts to achieve maximum integration between newly-mandated actions and ongoing hazardous materials programs, particularly as they apply to: a) coordinated permit and fee structure, b) coordinated inspections, c) emergency response ("business") plans, d) training programs, e) evacuation requirements, and f) information requirements. (SCJAP 9.09)
- 3k. Monitor the transportation of hazardous materials and wastes to reduce risks and ensure notification of South County jurisdictions in the event of a leak or spill. (SCJAP 9.10)
- 3l. Consider designating specific transportation routes for the conveyance of hazardous materials and waste, if the City desires hazardous materials and waste to be transported on routes other than designated truck routes. (SCJAP 9.13)
- 3m. Support the County's implementation of a Memorandum of Understanding (MOU) between the Department of Health Services (DOHS) and the County Health Department, whereby the County would act as an agent in requiring hazardous material users and waste generators to provide annual records and in monitoring the haulers of hazardous materials and waste. (SCJAP 9.14)
- 3n. To reduce the risk involved in transporting hazardous waste and decrease the volume of waste that must be disposed of, encourage the generators of hazardous waste to use on-site pretreatment, such as: neutralization, precipitation and oxidation. (SCJAP 9.15)
- 3o. Initiate a program to identify and abandon dry wells which have been used to dispose of contaminants. (SCJAP 9.16)
- 3p. Periodic household hazardous waste collection programs and other related activities should occur on a regular basis in order to limit the types and amounts of hazardous waste entering the ordinary waste stream. (SCJAP 8.09)
- 3q. The Santa Clara County Hazardous Waste Management Plan is herewith incorporated in this General Plan by reference. It is a City policy to restrict off-site hazardous materials operations (Hazardous Materials Reprocessing uses as defined by the Zoning Ordinance) to industrially-zoned sites which have received Conditional Use Permits and which comply with the Santa Clara County Hazardous Waste management Plan or a City-designated equivalent.
- 3r. Require off-site hazardous materials operations to obtain permits through the process designated in Section 25199 of the California Health and Safety Code, including the Notice of Intent (NOI) and Local Assessment Committee (LAC) steps where applicable.



- 3s. Continue to allow Small Quantity Generators such as photo laboratories and dry cleaners to locate in appropriate commercial and industrial zones without requiring additional hazardous materials permits, providing that such uses comply with other Federal, State and local hazardous materials laws and regulations and providing that the site does not accept hazardous waste from off-site for reprocessing.
- 3t. Provide mitigation to remedy the effects of new or expanding development over areas with environmental contamination of any and all unauthorized discharges.

#### **Actions**

- 3.1 Enforce hazardous waste facility inspection via a Memorandum of Understanding between State Department of Health Services (DOHS) and County Health Department whereby the County Health Department would act as an agent of DOHS in enforcing this provision, and City Hazardous Materials Specialists and Pretreatment Inspectors may conduct inspections. (SCJAP 9.03)
- 3.2 Require that the South County jurisdictions receive reports from the Department of Transportation and the California Highway Patrol regarding spills or leaks on the highway. (SCJAP 9.11)
- 3.3 If a spill occurs while transporting hazardous materials or waste in one of the South County cities or the County, immediately notify the other jurisdictions. (SCJAP 9.12)

### **Flood Control**

All of the creeks in the city have flooding potential. Federal Emergency Management Agency standards govern development in the 100-year floodplain (see *Map 7*), the area with a one percent or greater chance of being flooded in any year. Development in the floodplain must be controlled because it can increase flooding hazards by raising water levels upstream and by adding flow, velocity, and debris downstream.

### **Goal 4. The least possible damage to persons and property from flooding**

#### **Policies**

- 4a. Prepare for impacts associated with potential failure of Anderson Dam.
- 4b. Prohibit development in floodways and regulate in floodplains to minimize flood damage and be consistent with the federal flood insurance program and Santa Clara Valley Water District regulations. (SCJAP 15.05)
- 4c. Limit development along the shores of reservoirs which can be expected to sustain damage from seismically-induced seiche waves. (SCJAP 15.6)
- 4d. Continue restricting development in areas of poor accessibility. Development should not be allowed in areas where access is provided by a single road that could be damaged by faulting or landslides, or where access could be cut off by wildfires, trapping residents or workers. (SCJAP 15.07)
- 4e. Natural streamside and riparian areas should be left in their natural state in order to preserve their value as percolation and recharge areas, natural habitat, scenic resources, recreation corridors and for bank stabilization. (SCJAP 15.08)



- 4f. Minimize disruption of natural riparian areas by flood control projects needed to protect presently existing development by maintaining slow flow and stable banks through design and other appropriate mitigation measures. (SCJAP 15.08)
- 4g. As flooding affects substantial areas of South County, and the flood control projects now being constructed are designed to protect only existing developed and currently planned urban areas, manage land development to mitigate flooding problems and minimize the need for local public funding for additional flood control and local drainage facilities. (SCJAP 12.00)
- 4h. Areas which are developed or planned for development should be protected by the construction of flood control facilities. Development should be managed through advanced planning and design standards to minimize off-site flooding and drainage problems. (SCJAP 12.00)
- 4i. Give highest priority for construction of flood protection facilities as follows: 1) to areas of existing development subject to the highest potential flood damage; 2) to undeveloped areas planned for urban development which would be subject to the highest potential of flood damage; 3) to agricultural lands; and 4) to other undeveloped areas. (SCJAP 12.01)
- 4j. If federal and state funds are not available for future flood control facilities and such facilities must be funded locally, assess the costs to those property owners who would benefit from and those who contribute to the need for such facilities. (SCJAP 12.02)
- 4k. Require developers whose proposed projects would induce downstream flooding to provide mitigation to eliminate the flood-inducing impacts of their projects. (SCJAP 12.03)
- 4l. If development is to be allowed in flood-prone areas, provide flood control facilities or appropriate flood-proofing prior to or in conjunction with development at developers' expense. (SCJAP 12.05)
- 4m. Where other mitigation measures do not solve the flooding problem, permit raising individual foundations (padding up structures) in appropriate situations; however, its use must be restricted in order to minimize the cumulative effects on adjacent areas. (SCJAP 12.06)
- 4n. Require mitigation of any storm water runoff produced by development that occurs beyond that described in the General Plans of the City and County as of 1982. (SCJAP 12.07)
- 4o. Require all local development to provide appropriate mitigation of off-site flooding impacts, including limiting runoff to pre-development levels and/or complete solutions to flooding and local drainage problems in the vicinity of the development, using such methods as detention or retention. (SCJAP 12.08)
- 4p. Require careful consideration of the cumulative effects of development which would drain into the upper reaches of Llagas Creek and other creeks, in order to avoid the need for channelization and consequent destruction of its riparian vegetation and natural habitat. (SCJAP 12.09)

#### **Actions**

- 4.1 Apply floodplain zoning to all flood prone areas to maximize life safety, reduce property loss, and preserve natural vegetation, wildlife and scenic beauty.
- 4.2 Designate all floodways as open space, prohibiting construction except when consistent with State and federal regulations.

- 4.3 Develop, enact and enforce regulations for all floodplains, with specific standards to minimize flooding of existing structures and surrounding properties.
- 4.4 Send all subdivisions and private and public project referrals where activity is located near to floodplain areas to Santa Clara Valley Water District for review prior to City approval.
- 4.5 Require dedication pursuant to the State Map Act sections 66475 and 66478.5 for access to and along all waterways.
- 4.6 Continue to require dedication of floodway and floodplain areas pursuant to the PL566 Drainage Program.
- 4.7 Establish an early warning protocol to alert persons within the dam failure inundation zone.

## Water Quality

Because the City obtains all of its water from local wells, ensuring that development does not introduce pollutants into groundwater is extremely important.

### Goal 5. Protection of water quality from contamination associated with urbanization

#### Policies

- 5a. Protect water quality from contamination, and monitor it to assure that present policies and regulations are adequate. Prohibit such uses as waste facilities, septic systems and industries using toxic chemicals where polluting substances may come in contact with groundwater, floodwaters, and creeks or reservoir waters. (SCJAP 8.00)
- 5b. Use continued caution in the siting of landfills and transfer stations, and rigorous enforcement of local and regional regulations, in order to ensure the protection of groundwater quality. (SCJAP 8.05)
- 5c. Continue land use policies that limit the number of individual septic systems in areas vulnerable to groundwater contamination, because of the potential for cumulative degradation of water quality. (SCJAP 8.01)
- 5d. Continue to monitor groundwater and surface water quality conditions throughout the South County to determine if changes in regulations regarding septic systems and land use are needed. (SCJAP 8.04)
- 5e. In areas where future development is expected to be served by sewers, continue large lot policies which allow minimal development and limited numbers of septic systems. (This approach increases the feasibility of designing future urban density subdivisions with smaller lots, which are more efficient for sewers in terms of service and cost.) (SCJAP 8.02)
- 5f. Encourage enhancement of sensitive wetlands as part of future development.
- 5g. Support the continuation of current County policies regarding septic systems and land use, with no lessening of standards. (SCJAP 8.03)
- 5h. Continue caution regarding the siting of landfills, the construction of landfills (i.e., they should have clay liners, etc.), and the waste allowed in a sanitary landfill in South County so as not to create hazards to groundwater quality. (SCJAP 8.06)



- 5i. Site and operate solid waste and hazardous waste transfer stations so as to minimize hazards to ground and surface water quality. (SCJAP 8.07)
- 5j. Protect properties located in areas that have soils with rapid water percolation from future development in order to ensure existing water quality. Permit development in such areas according to the City's Hazardous Materials Storage Ordinance section specifically related to high percolation rates. (SCJAP 8.11)
- 5k. Permit commercial and industrial developments proposed to be located in areas that have soils with rapid water percolation only under the strict safety limitations required by the City's Hazardous Materials Specialists. (SCJAP 8.12)
- 5l. In order to provide greater protection of the aquifers which supply drinking water to the South County, give special consideration to the management of contaminants (e.g., hazardous materials, sanitary effluents) in groundwater recharge areas where no protective aquitard layer exists. (SCJAP 8.13)
- 5m. Continue to monitor wells and provide the results to a central agency which would coordinate the data and make it available to all jurisdictions and agencies. (SCJAP 8.14)
- 5n. Expand programs for monitoring private wells by including tests of more wells, tests on constituents not yet tested in private wells (i.e., volatile organics, bacteriological, radiological, etc.), and periodic retesting of selected private wells. (SCJAP 8.15)

#### **Action**

- 5.1 Evaluate water quality to ensure compliance with community standards and applicable State and federal provisions.
- 5.2 Develop standards requiring minimization of sediment and hydrocarbon runoff to streams.
- 5.3 Require wetland delineation and mitigation as part of the environmental review of future development.
- 5.4 Coordinate with jurisdictional agencies, as required, as part of the environmental review process for development projects.

### **Goal 6. Cooperative efforts to ensure regional water quality**

#### **Policies**

- 6a. Maintain close coordination with the following agencies and organizations which share jurisdiction and interest relative to South County's water supply and water quality: the Regional Water Quality Control Boards, Santa Clara Valley Water District, County Health Department, County Executive's Office, County Planning Office, Gilroy Planning Department, and San Martin Planning Committee. (SCJAP 10.02)
- 6b. Encourage the two Regional Water Quality Control Boards which have jurisdiction in South County to agree upon compatible water quality standards and consistent approaches to implementing the State Board's nondegradation policy, so as not to confuse developers and jurisdictions which must carry out the Board's regulations. (SCJAP 10.01)
- 6c. Work with the Regional Water Quality Control Boards to rigorously enforce regulations relating to solid waste disposal. (SCJAP 8.08)



- 6d. Work jointly with Gilroy and Santa Clara County to achieve a balance between potential negative impacts and the benefits associated with the location of solid waste disposal sites and transfer stations. (SCJAP 8.10)
- 6e. Where appropriate, the Regional Water Quality Boards, Cities, County and other local agencies should adopt compatible ordinances (i.e., HMSOs), standards (i.e., septic tank and alternative treatment and disposal methods), and enforcement procedures (i.e., implementing AB 2185, California Health and Safety Code Chapter 6.95, Division 20, Section 25500 et seq.) regarding water quality so that there is no advantage for a company to locate in an area with lower standards. (SCJAP 10.03)
- 6f. Require the protection and/or replacement of essential habitat for rare, threatened, or endangered species and species of special concern as required by state and federal law.
- 6g. Encourage the protection, restoration, and enhancement of remaining native grasslands, oak woodlands, marshlands and riparian habitat.
- 6h. Preserve and protect mature, healthy trees whenever feasible, particularly native trees and other trees which are of significant size or of significant aesthetic value to immediate vicinity or to the community as a whole.

#### Action

- 6.1 Consider intergovernmental coordination between the Cities, the County and local agencies as an effective means of resolving issues of concern and investigating the feasibility of compatible standards, ordinances and enforcement procedures. (SCJAP 10.00)

## Noise

Defined as unwanted sound, noise can be disturbing or annoying because of its pitch or loudness. Pitch refers to relative frequency of vibrations; higher pitch signals sound louder to people. Major noise sources in Morgan Hill in the year 2025 will include Highway 101, railroad activity, and traffic on major streets (see *Maps 8 and 9*). Commercial and industrial sources in Morgan Hill contribute very little noise to the community.

A decibel (dB) is a measure based on the relative amplitude of a sound. Ten on the decibel scale marks the lowest sound level that the healthy, unimpaired human ear can detect. Sound levels in decibels are calculated on a logarithmic basis such that each 10 decibel increase is perceived as a doubling of loudness. The California A-weighted sound level, or dBA, gives greater weight to sounds to which the human ear is most sensitive.

Sensitivity to noise increases during the evening and at night because excessive noise interferes with the ability to sleep. Twenty-four hour descriptors have been developed that emphasize quiet-time noise events. The Day/Night Average Sound Level,  $L_{dn}$ , is a measure of the cumulative noise exposure in a community. It includes a 10 dB addition to noise levels from 10pm - 7 am to account for human sensitivity to night noise.

## Goal 7. Prevention of noise from interfering with human activities or causing health problems

### Policies

7a. New development projects shall be designed and constructed to meet acceptable exterior noise level standards (see *Table 9*), as follows:

- The maximum exterior noise level of 60 dBA  $L_{dn}$  shall be applied in residential areas where outdoor use is a major consideration (e.g., backyards in single family housing developments and recreation areas in multi-family housing projects). Where the City determines that providing an  $L_{dn}$  of 60 dBA or lower cannot be achieved after the application of reasonable and feasible mitigation, an  $L_{dn}$  of 65 dBA may be permitted.
- Indoor noise levels should not exceed an  $L_{dn}$  of 45 dBA in new residential housing units.



- Noise levels in new residential development exposed to an exterior  $L_{dn}$  60 dBA or greater should be limited to a maximum instantaneous noise level (e.g., trucks on busy streets, train warning whistles) in bedrooms of 50 dBA. Maximum instantaneous noise levels in all other habitable rooms should not exceed 55 dBA.

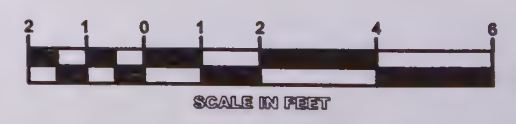
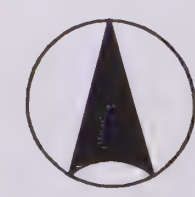
The maximum outdoor noise level for new residences near the railroad shall be 70 dBA  $L_{dn}$ , recognizing that train noise is characterized by relatively few loud events.



Map 8. Future Noise Contours

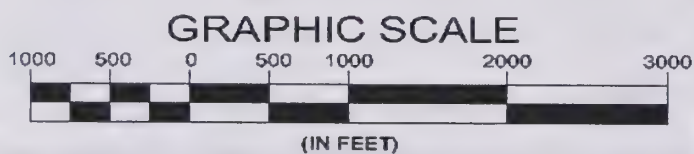
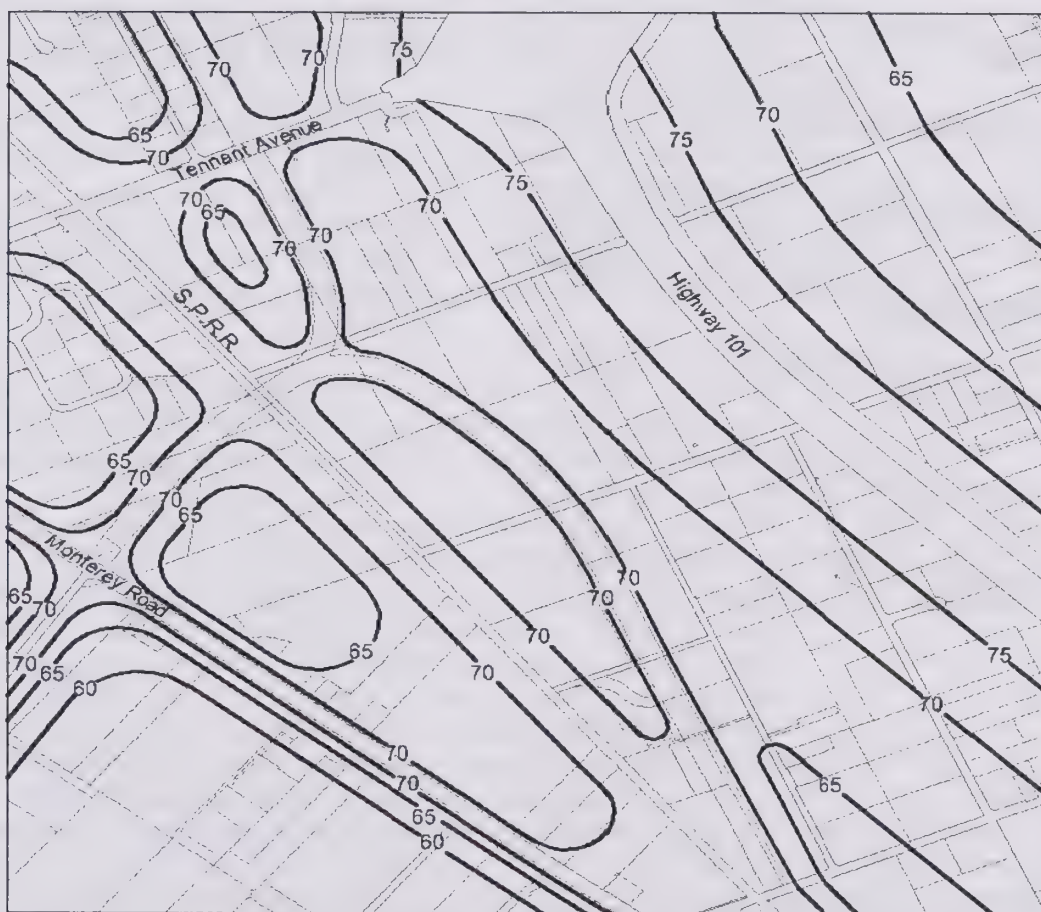
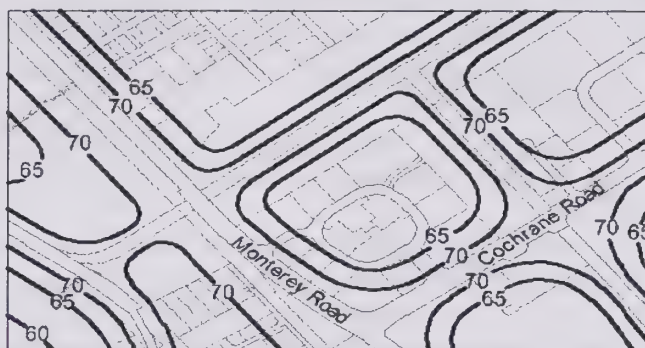


— 60 — Projected 2025  
 Noise Level Contour (Ldn dBA)









**Legend**  
 —65— Projected 2025 Noise Contour Level (Ldn dBA)



**City of  
 Morgan Hill  
 General Plan**

**Map 9. Potential Noise Contours for Circulation Study Areas**

- 7b. The impact of a proposed development project on existing land uses should be evaluated in terms of the potential for adverse community response based on significant increase in existing noise levels, regardless of compatibility guidelines.
- 7c. Appropriate interior noise levels in commercial and industrial structures are a function of the use of the space and should be evaluated on a case-by-case basis.
- 7d. Interior noise levels in office buildings should be maintained at 45 dBA  $L_{eq}$  (hourly average) or less, rather than 45 dBA  $L_{dn}$  (daily average).
- 7e. Noise level increases resulting from traffic associated with new projects shall be considered significant if: a) the noise level increase is 5 dBA  $L_{dn}$  or greater, with a future noise level of less than 60 dBA  $L_{dn}$ , or b) the noise level increase is 3 dBA  $L_{dn}$  or greater, with a future noise level of 60 dBA  $L_{dn}$  or greater.
- 7f. Noise levels produced by stationary noise sources associated with new projects shall be considered significant if they substantially exceed ambient noise levels.
- 7g. Noise levels produced by other noise sources (such as ballfields) shall be considered significant if an acoustical study demonstrates they would substantially exceed ambient noise levels.

#### **Actions**

- 7.1 Assess and track noise levels when specific projects are proposed to determine the continued accuracy of the Noise Contour map. If necessary, based on these assessments, update the future noise contour map to reflect changed conditions.
- 7.2 The Noise Contour map shall be used to screen projects to determine if acoustical studies shall be required.
- 7.3 Require attention to site planning and design techniques other than sound walls to reduce noise impacts, including: a) installing earth berms, b) increasing the distance between the noise source and the receiver; c) using non-sensitive structures such as parking lots, utility areas, and garages to shield noise-sensitive areas; d) orienting buildings to shield outdoor spaces from the noise source; and e) minimizing the noise at its source.
- 7.4 Amend the Zoning Ordinance to reflect noise limits intended to protect noise sensitive land uses from intrusion by stationary noise sources.





























































### **Goal 8. Protection from noise associated with motor vehicles and railroad activity**

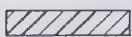
#### **Policies**

- 8a. Roadway design, traffic signalization and other traffic planning techniques (such as limiting truck traffic in residential areas) shall be used to reduce noise caused by speed or acceleration of vehicles.



**Table 9. Acceptable Noise Levels**

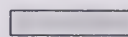
Land Use Category	Community Noise Exposure Ldn or CNEL, dBA					
	55	60	65	70	75	80
Residential: Single Family Duplexes, Mobile Homes						
Residential: Multi-family						
Transient Lodging: Motels, Hotels						
Schools, Libraries, Churches, Hospitals, Nursing Homes						
Auditoriums, Concert Halls Amphitheaters						
Sports Arena, Outdoor Spectator Sports						
Playgrounds, Neighborhood Parks						
Golf Courses, Riding Stables, Water Recreation, Cemeteries						
Office Buildings, Business Commercial and Professional						
Industrial, Manufacturing, Utilities, Agriculture						

**INTERPRETATION****NORMALLY ACCEPTABLE**

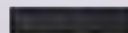
Specified land use is satisfactory, based upon the assumption that any buildings involved are of normal conventional construction, without any special noise insulation requirements.

**CONDITIONALLY ACCEPTABLE**

New construction or development should be undertaken only after a detailed analysis of the noise reduction requirements is made and needed noise insulation features included in the design. Conventional construction, but with closed windows and fresh air supply systems or air conditioning will normally suffice.

**NORMALLY UNACCEPTABLE**

New construction or development should generally be discouraged. If new construction or development does proceed, a detailed analysis of the noise reduction requirements must be made and needed noise insulation features included in the design.

**CLEARLY UNACCEPTABLE**

New construction or development should generally not be undertaken.

**SOURCE:** Office of Planning and Research, State of California General Plan Guidelines, Appendix A: Guidelines for the Preparation and Content of the Noise Element of the General Plan, 1990.

- 8b. If noise barriers are deemed the only effective mitigation for development along major transportation corridors, an acoustical analysis shall be conducted to determine necessary dimensions.
- 8c. The maximum height of sound walls shall be eight feet. Residential projects adjacent to the freeway shall be designed to minimize sound wall height through location of a frontage road, use of two sound walls or other applicable measures. Sound wall design and location shall be coordinated for an entire project area and shall meet CalTrans noise attenuation criteria for a projected eight-lane freeway condition. If two sound walls are used, the first shall be located immediately adjacent to the freeway right-of-way and the second shall be located as necessary to meet CalTrans noise requirements for primary outdoor areas. The minimum rear yard setback to the second wall shall be 20 feet.
- 8d. Ensure that sound barriers do not become targets for vandalism.

**Actions**

- 8.1 Allow and encourage earth berms in new development projects as an alternative to sound walls if adequate space is available.
- 8.2 Require non-earthen sound barriers to be landscaped, vegetated or otherwise designed and/or obscured to improve aesthetics and discourage graffiti and other vandalism.



## Regional Coordination

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The Regional Coordination element outlines ways for the City of Morgan Hill to participate effectively in planning for growth in the surrounding region. Close coordination with neighboring and regional agencies is necessary to ensure that future development of adjacent areas is appropriate and occurs in a phased, efficient manner that will help Morgan Hill retain its distinct character.

Continuing rural development in San Martin and anticipated large-scale urban development in Coyote Valley, including a major industrial center, could heavily influence future growth, traffic and quality of life in Morgan Hill.

Almost all of the policies in this element derive from the **South County Joint Area Plan** (SCJAP). A number of South County Joint Area Plan policies included in this and other elements of the General Plan require updating. The City intends to assist the South County Joint Planning Advisory Committee in identifying which policies should be revised and in modifying them to incorporate current City goals and policies.

### Regional Coordination Goals

1. Balanced urban growth in the South County
2. Limited, appropriate urbanization of unincorporated San Martin
3. Efficient, phased development of Coyote Valley
4. Effective, stable growth of the South County
5. An effective, productive South County Joint Planning Advisory Committee

### Urban Growth

#### Goal 1. Balanced urban growth in the South County

##### Policies

- 1a. The South County Joint Area Plan is the integrated policy framework for community development and environmental management under which the City should undertake implementation actions compatible with those of Gilroy and Santa Clara County. (SCJAP 0.02)
- 1b. Continue effective joint planning between Morgan Hill, Gilroy and Santa Clara County since the South County is a fast-growing region, drawing large amounts of industry and people, and the pressures for growth are likely to continue beyond the current General Plan horizon. (SCJAP 1.00)
- 1c. Revise the Morgan Hill General Plan as needed to accommodate projected growth. (SCJAP 1.01)
- 1d. Develop an Urban Growth Monitoring Program to monitor population/employment growth in the South County and surrounding regions to: a) assess the effect of the jobs/housing balance in North



- County and adjacent areas on the South County community, b) assess the demand for additional urban development in South County, and c) determine when it would be appropriate to plan for more extensive urban development in the South County. (SCJAP 1.03)
- 1e. When developing the Urban Growth Monitoring Program, specify the role of each jurisdiction in implementing the program, and assign responsibility for overall program coordination. (SCJAP 1.04)
  - 1f. In the Urban Growth Monitoring Program, consider the conditions that would make new urban growth desirable, as well as the conditions that would call for limitations on urban growth, and establish criteria which would trigger planning for new urban growth. (SCJAP 1.04)
  - 1g. In the Urban Growth Monitoring Program, consider potential long-term development patterns and areas which are to be kept in long-term rural use or open space. (SCJAP 1.05)
  - 1h. Use information generated from the Urban Growth Monitoring Program as the basis for facilitating long-range infra-structure and urban service planning, and minimizing urban development pressure on land which is expected to remain in agricultural, open space or other low-intensity use. (SCJAP 1.06)
  - 1i. Identify both the areas needed for future urban development and the areas to be kept in long-term rural land uses or open space. (SCJAP 1.02)
  - 1j. Land uses in rural areas should be low-intensity and limited in number, and public services to rural areas should be appropriately limited. (SCJAP 1.07)
  - 1k. Manage and schedule urban growth consistent with the ability to provide a full array of urban services and facilities, such as sewer capacity, water, transportation, schools, public safety and other urban services. (SCJAP 1.08)
  - 1l. Urban growth should occur in an orderly and contiguous pattern, within designated urban service areas and encouraging infill of vacant urban land. (SCJAP 1.09 & 1.10)
  - 1m. Base expansion of urban service areas and annexations on the General Plan, consistent with the City's schedules for development and extension of services. (SCJAP 1.11 & 1.12)

## San Martin Development

### Goal 2. Limited, appropriate urbanization of unincorporated San Martin

#### Policies

- 2a. San Martin should remain an unincorporated, predominately rural-residential community governed by the County Board of Supervisors. (SCJAP 18.00)
- 2b. If, in the future, urbanization is recommended for San Martin, a wastewater management program should be developed which includes mechanisms for implementation and financing. (SCJAP 18.00 & 18.05)
- 2c. Continue current County land use and septic system policies for San Martin with no lessening of restrictions. (SCJAP 18.01)
- 2d. Restrict land uses generating discharges which are high in volume or high in nitrates, organic materials or other problem chemicals. (SCJAP 18.02)
- 2e. Retain existing County policies regarding the density of development and the discharge of wastes. (SCJAP 18.03)
- 2f. Monitor groundwater and surface water quality conditions in the San Martin area to determine if changes in current policies regarding septic systems and land use are needed. (SCJAP 18.04)
- 2g. Explore funding alternatives for financing the rehabilitation of existing water distribution facilities in San Martin. (SCJAP 18.06)
- 2h. Design, landscape and maintain all existing and future County facilities located in San Martin to be compatible with the surrounding environment. (SCJAP 18.07 & 18.08)
- 2i. Ensure that development around the South County Airport adheres to Airport Land Use Commission (ALUC) policies. (SCJAP 18.09)
- 2j. Issues of San Martin's future level of development and form of governance should be resolved by community residents, Santa Clara County, Gilroy, Morgan Hill, and affected special districts. (SCJAP 18.10)
- 2k. The Local Agency Formation Commission (LAFCO) should continue to exclude San Martin from the Spheres-of-Influence of Morgan Hill and Gilroy. (SCJAP 18.11)
- 2l. While San Martin remains unincorporated, continue to provide LAFCO and the County with constructive comments on decisions and policies relating to San Martin. (SCJAP 18.12)
- 2m. Explore jointly the possibilities for resolving San Martin's issues and problems through formal intergovernmental agreements. (SCJAP 18.13)



- 2n. Retain the existing County General Plan policies regarding development densities and the location of commercial and industrial uses in San Martin. (SCJAP 18.14)
- 2o. Study the potential costs and impacts associated with each of the future governmental alternatives for San Martin, including incorporation, creation of sanitation or other service districts, and the establishment of a municipal advisory council. (SCJAP 18.15)
- 2p. If future changes in the level of development or form of governance are recommended for San Martin, prepare and adopt a special area plan and an implementation program for the area, with input from Morgan Hill, Gilroy, and the San Martin Planning Committee. (SCJAP 18.16)

## Coyote Valley Development

### Goal 3. Efficient, phased development of Coyote Valley



#### Policies

- 3a. Review and address anticipated impacts on the South County resulting from development in Coyote Valley, both individually and through cooperative, inter-jurisdictional action. (SCJAP 19.00)
- 3b. Give specific attention to identifying appropriate mitigation for impacts on the education/school system, since quality of education is a primary objective of the South County community. (SCJAP 19.02)
- 3c. Work with San Jose and Santa Clara County to jointly develop a plan and specific measures for preserving a major greenbelt area between San Jose and Morgan Hill. (SCJAP 19.03)
- 3d. LAFCO, in reviewing proposed actions in the Coyote Valley, should consider jobs/housing balance, impacts to schools, and implementation of the Coyote Greenbelt. (SCJAP 19.04)
- 3e. Support the County's implementation of its Monterey Road policy in the Coyote Valley to upgrade or abate the existing uses, giving careful attention to all uses being considered along Monterey Road in the proposed Coyote Greenbelt area. (SCJAP 19.05)

#### Action

- 3.1 Meet jointly with the staffs of Gilroy, the County the School Districts and with the staff of the City of San Jose to determine the impacts of Coyote Valley development on the South County and to recommend appropriate responses for each jurisdiction. (SCJAP 19.01)



## Joint Land Use Planning

### Goal 4. Effective, stable growth of the South County

#### Policies

- 4a. Support the continuation of adopted County land use policies for the unincorporated areas in order to: a) promote a productive, primarily agricultural rural area; and b) balance the needs of rural residents and landowners and the needs for effective natural resource management, enhanced rural scenic quality, and lands for planned urban growth, rural activities, and long-term open space. (SCJAP 17.01)
- 4b. Promote the long-term stability of City and County policies for land use and urban growth so that individuals, organizations, and appropriate entities can make rational decisions about long-term land use and investment. (SCJAP 17.02)
- 4c. Enhance the existing City/County referral process for review and comment on land use proposals by including a set of mutually agreed-upon criteria for analyzing land use proposals in the unincorporated areas. The criteria would focus the review process on mutually-defined issues relating to rural land use decisions, while allowing for consideration of other concerns when appropriate. (SCJAP 17.03)
- 4d. Further adapt the same City/County referral process by including review and comment on proposed major changes in city land use policy and for major city-area projects or expansions. The review should focus on area-wide objectives, such as jobs-housing balance, open space protection, and provision of infrastructure. (SCJAP 17.04)
- 4e. If it is determined that a use proposed for the unincorporated area is needed in the South County but would be more appropriately located in a city, then the use should be located in a city, providing there is or could be sufficient and appropriately zoned land. (SCJAP 17.06)
- 4f. Work with Gilroy and Santa Clara County to assure that appropriately located sites are available for land uses which primarily serve the urban population but have difficulty finding urban sites for various reasons: a) identify suitable areas for necessary land uses which are difficult to site, based on estimates of long-term needs and appropriate locational criteria; b) while some of these land uses may best be located in a city, others may be appropriate in the unincorporated area; c) appropriate screening, landscaping, and other mitigation should be required to assure that they improve the site and the neighborhood; and d) the locating of such land uses should be done consistent with the provisions of state law regarding planning and environmental review, and with the adopted policies and review procedures of the three jurisdictions and their South County Joint Planning Advisory Committee. (SCJAP 17.07)
- 4g. Reach agreement with Gilroy and Santa Clara County on the infrastructure and public services needed for future urban development, their location and timing, and how the costs and revenues associated with planned development should be apportioned among the three jurisdictions. (SCJAP 17.08)

- 4h. Consistent with the Preservation 2020 Program: a) consideration should be given to land uses that will result in permanent preservation of substantial areas of open space; b) new land uses should be consistent with programs which the three jurisdictions develop to maintain greenbelts between Morgan Hill and San Jose, and between Morgan Hill, San Martin, and Gilroy; and c) the three jurisdictions should further define the appropriate land uses for greenbelts and methods of implementation that address conflicts between private property rights and public objectives. (SCJAP 17.09)
- 4i. Work with Gilroy and Santa Clara County to develop a process to anticipate and manage the cumulative impacts of land use, which would include: a) agreement on what are the critical environmental and other community impacts which are likely to have cumulative significance; b) agreement on feasible methods for monitoring and evaluating changing conditions regarding these impacts periodically; c) agreement on suitable thresholds and methods for considering when new policies may be appropriate to deal with changing conditions so that undesirable cumulative impacts can be prevented; and d) use of the above material in the review of land use proposals. (SCJAP 17.10)
- 4j. In order to maintain the environmental quality and appearance of the rural area, the County should: a) consider adopting additional guidelines for the siting and landscaping of some types of rural land uses; b) consider adopting such guidelines for certain areas, in addition to the San Martin area where design guidelines have already been adopted; and c) continue to strengthen the consistent and fair enforcement of regulations relating to land use and maintenance. (SCJAP 17.11)
- 4k. Review the City's design guidelines relating to urban development at the edge of the rural area for compatibility with overall objectives for the area. (SCJAP 17.12)
- 4l. Jointly review with Gilroy and Santa Clara County valley floor land use and development standards, as well as hillside and ridgeline development standards, where appropriate, for compatibility. (SCJAP 17.13)
- 4m. Since expectations of tax revenue may unduly influence land use decisions, resulting in less desirable land use patterns and competition among jurisdictions for control over territory: a) the elected and chief administrative officials of the three jurisdictions should consider agreements regarding sharing of tax-base, revenues, and service provision as an element in joint land use planning; and b) net cost/revenue should be considered in land use planning and in the review of large scale proposals. Consideration must be given to the limited funding and staff resources of the jurisdiction. (SCJAP 17.14 & 17.15)
- 4n. Continue to build upon existing cooperation agreements and work in concert with neighboring jurisdictions, school districts and agencies in order to further the coordination and cooperation which has already begun. (SCJAP 21.01)
- 4o. Review and prioritize the recommendations of the South County Joint Planning Advisory Committee, with particular attention to those recommendations requiring joint action in order to identify which are appropriate for intergovernmental agreements. (SCJAP 21.02)



- 4p. Review the various available types of intergovernmental agreements, and proceed with those that are determined to be appropriate. (SCJAP 21.02)
- 4q. Jointly pursue consistent, coordinated and vigorous enforcement of adopted codes, to ensure that uneven enforcement will not lead to a concentration of activities in any one area of the South County. (SCJAP 21.03)

## **Joint Planning Advisory Committee**

### **Goal 5. An effective and productive South County Joint Planning Advisory Committee**

#### **Policies**

- 5a. Work with the South County Joint Planning Advisory Committee to update and revise the South County Joint Area Plan, as appropriate.
- 5b. The South County Joint Planning Advisory Committee should have a process by which it will review projects of regional significance and projects referred to it by other agencies, in which the lead agency, or agency having decision-making jurisdictions, is provided with input relative to the South County Joint Area Plan and issues of concern to the South County community. (SCJAP 17.05)
- 5c. Support an ongoing Joint Planning Advisory Committee, composed of officials and citizens from the three jurisdictions, with the following functions: a) to serve as a forum where the local governments, the districts and the residents can work together to solve common problems and to recommend agreement on community objectives and the actions required to accomplish them; b) to make recommendations on matters referred by the sponsoring jurisdictions and identify issues to be brought to the sponsors for consideration; c) to address issues which were not addressed within the original charge of the first project; and d) to advise on the progress of the sponsors' joint implementation programs. (SCJAP 22.01)
- 5d. Support the establishment, by the Joint Planning Advisory Committee, of an annual agenda limited to a very few high priority topics that may be resolved within a year's schedule. The Committee should recommend topics to the sponsors for consideration in the next year's agenda. (SCJAP 22.02)
- 5e. Assist in providing staff as appropriate to the topics in the Joint Planning Advisory Committee's annual work program. (SCJAP 22.02)
- 5f. Develop monitoring programs as defined in South County program recommendations. (SCJAP 22.07)

#### **Actions**

- 5.1 Provide the South County Joint Planning Advisory Committee with a list of concerns regarding South County Joint Area Plan policies that should be updated.
- 5.2 Complete rural/urban land use policies and coordination of development standards (completion of the Committee's work on the Urban/Rural report, with particular attention to developing criteria for appropriate



- uses for land designated rural, land designated urban, and lands in transition.) (SCJAP 22.03)
- 5.3 Consider Intergovernmental Fiscal Issues. (SCJAP 22.04)
- 5.4 Consider Economic Development in a community context (investigation of alternative methods for initiating a strategic economic development planning process in the context of desired community character and quality of life). (SCJAP 22.05)

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**GENERAL PLAN**

**HOUSING ELEMENT**

2006





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# Introduction

## Contents of the Housing Element

The Housing Element of the General Plan is a comprehensive statement by the City of Morgan Hill of its current and future housing needs and proposed actions to facilitate the provision of housing to meet those needs at all income levels. The policies contained in this Element are an expression of the statewide housing goal of “attaining decent housing and a suitable living environment for every California family,” as well as a reflection of the unique concerns of the community. The purpose of the Housing Element is to establish specific goals, policies, and objectives relative to the provision of housing, and to adopt an action plan toward this end. In addition, the Element identifies and analyzes housing needs, and resources and constraints to meeting those needs.

The Morgan Hill Housing Element is based on the following strategic goals: 1) adequate housing to meet future needs, 2) preservation of existing housing supply, and 3) adequate housing for groups with special needs.

In accordance with State law, the Housing Element is to be consistent and compatible with other General Plan Elements. Additionally, the Housing Element should provide clear policy and direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital improvements. State law (Government Code Sections 65580 through 65589) mandates the contents of the housing element. By law, the Housing Element must contain:

- An assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs.
- A statement of the community’s goals, quantified objectives, and policies relevant to the maintenance, improvement and development of housing.
- A program that sets forth a five-year schedule of actions that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element.

The housing program must also identify adequate residential sites available for a variety of housing types for all income levels; assist in developing adequate housing to meet the needs of low- and moderate-income households; address governmental constraints to housing maintenance, improvement, and development; conserve and improve the condition of the existing affordable housing stock; and promote housing opportunities for all persons.

Although, by nature of the state mandate, the Housing Element tends to focus on the affordability and availability of housing for low- and moderate-income households and families, the Element must also address the housing needs and related policy issues for the entire community and be consistent with the adopted policies of the rest of the General Plan. For these reasons, the focus of the updated Housing Element will be on policies and programs that can balance the desire of residents to maintain the character of residential neighborhoods, manage traffic, minimize visual and other impacts of new development, while addressing the needs of low- and moderate-income households and special needs groups (such as seniors and individuals with disabilities).



## Efforts to achieve Citizen Participation

### Requirements of State Law

State law requires cities and counties to make a diligent effort to achieve participation by all segments of the community in preparing a housing element. Section 65583[c][6] of the California Government Code specifically requires that:

The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the program shall describe this effort.

The diligent effort required by State law means that local jurisdictions must do more than issue the customary public notices and conduct standard public hearings prior to adopting a Housing Element. State law requires cities and counties to take active steps to inform, involve, and solicit input from the public, particularly low-income and minority households that might otherwise not participate in the process. Active involvement of all segments of the community can include one or more of the following:

- Outreach to community organizations serving low-income, special needs, and underserved populations;
- Special workshops, meetings, or study sessions that include participation by these groups;
- Establishment of an advisory committee with representatives of various housing interests; and
- Public information materials translated into languages other than English if a significant percentage of the population is not English proficient.

To meet the requirements of state law, the City of Morgan Hill has undertaken the following public outreach and community involvement activities.

### Public Meetings and Hearings

To meet the requirements of state law regarding public participation, Morgan Hill relied on two primary strategies. First, the City convened a task force to advise the City in the development of the Housing Element. The task force included representatives of the real estate industry, lending institutions, homebuilders, affordable housing organizations, public agencies that serve special needs groups, the City Council and the Planning Commission. The task force met five times during key points in the process.

Second, the City conducted two public workshops before the City Council and Planning Commission to identify key issues on which to focus the Housing Element update, review the City's achievements in implementing actions under the previous Housing Element, and seek public input on proposed modifications to existing policies and programs. The first public workshop was held on October 29, 2001, and the second on December 12, 2001. Community organizations and public agencies that were invited to attend the workshops included:

- Legal Aid Society of Santa Clara County
- Greenbelt Alliance

- Emergency Housing Consortium
  - Habitat for Humanity
  - Community Solutions\*
  - South County Housing\*
  - Santa Clara County Housing Authority\*
  - Silicon Valley Manufacturing Group\*
  - Santa Clara County Housing Action Coalition\*
- \*Members of the City's Housing Element Task Force

In addition to the public workshops, a joint public meeting and public hearings were conducted before the Planning Commission and the City Council on the draft and final versions of the Housing Element to provide additional opportunities for public input.

A joint meeting of the Planning Commission and City Council was conducted on December 12, 2001 with opportunities for public comment on the draft Housing Element prior to submittal to the California Department of Housing and Community Development for review. Notice of the joint public meeting was sent to the same organizations listed above and to the community at large through the City's customary public notification process. Notification included publication in a community newspaper of general circulation, posting on the City's web site, posted notices at City Hall and other public establishments, and public service announcements to local media, including local cable access television.

Public hearings before the Planning Commission on the final Housing Element were conducted on June 27 and July 11, 2006. The City Council adopted the Housing Element at a public hearing on July 19, 2006. Notice of those meetings included publication in a community newspaper and posting on the City's

Facsimiles of the public notices and minutes of the public workshops are included in Appendix A.

## Current City and County Housing Programs

### County Housing Programs

The Santa Clara County Community Development Commission/Housing Authority administers the Section 8 Housing Assistance Payments Program (HAPP). This program links landlords with tenants eligible for rental assistance. HAPP guarantees landlords fair market rent while providing subsidies for tenants in rental properties. HAPP tenants are those elderly, handicapped, or low-income families needing help to secure decent housing. Morgan Hill is participating in this program that encourages landlords to accept Section 8 vouchers, and will be on the list of cities in the rent subsidy program. The County has four Federal grant programs to assist eligible persons seeking permanent, transitional, or emergency housing-related services.

#### Community Development Block Grants (CDBG)

Morgan Hill participates in the Santa Clara County CDBG program that provides funding to nonprofit agencies to enable them to offer housing and housing-related services to eligible lower-income persons including seniors, persons with disabilities, and the homeless and battered spouses. The Program provides funding for acquisitions, construction, or rehabilitation of affordable housing to lower-income persons. Each of the Urban County cities develops its own CDBG program. Each city has a housing rehabilitation program offering low-interest loans or grants for home repair to qualified Urban County residents. Individual initiative and the use of CDBG funds have helped. In previous years the CDBG program has been used to assist with home improvement for applicants that meet the income guidelines

#### Home Program (Home Investment Partnership Act)

This program provides loans and grants to nonprofit organizations to assist with financing to develop permanently affordable housing through acquisition, construction, or rehabilitation.

#### Emergency Shelter Grant Program

The Emergency Shelter Grant Program (ESG) provides grants to nonprofit organizations operating existing homeless shelters for rehabilitation of the facility, maintenance and operations, essential supportive services and prevention of homelessness.

#### Shelter Plus Care

Shelter Plus Care (S+C) provides a five-year rent subsidy to homeless/disabled individuals and their families to assist them in securing permanent affordable rental housing. Applicants must be currently homeless and must be diagnosed with one of the following disabilities: mental illness, HIV/AIDS, or a drug and/or alcohol dependency. In addition to rent subsidy, the program also arranges for various treatment services and case management. S+C clients are required to pay 30 percent of their monthly income toward rent; S+C pays the balance



## Morgan Hill Housing Programs

The City of Morgan Hill provides a number of programs through the Housing Division of the Morgan Hill Redevelopment Agency to assist housing problems. As of November 2001, the Agency had an unencumbered cash balance in its Housing Set-Aside fund of \$2 million, and estimates that between 2001 and 2005, an additional \$16.5 million in Set-Aside funds will become available to support the Agency's housing programs.

The City of Morgan Hill Below Market Rate Housing Program (BMR) helps qualifying buyers obtain affordably priced homes. Between 1990 and 1997, 185 new BMR housing units have been produced in Morgan Hill of which 93 were lower-income, 86 were median-income, and six were moderate-income units. Since 1998, 67 units were constructed under this project including 61 lower-income units and six median-income units. A total of 252 units have been constructed under this program since 1990. Program participants must be income eligible and are placed on a waiting list until an affordable unit is placed on the market. The waiting list for low-income housing has been closed as of June 2001 due to the large interest in the program. When an eligible person's name reaches the top of the waiting list, and a BMR home becomes available, the eligible person may determine whether or not they wish to purchase the home. If three homes are declined, the eligible person is moved to the bottom of the waiting list. This program helps lower and moderate-income households purchase homes that are affordable and adequate to their needs. It also prevents affordable homes from being sold to persons with little or no income obstacles, maintaining a larger base of affordable homes in the area. Home prices range from \$128,055 for a low-income, two-bedroom home to \$309,284 for a moderate-income, four-bedroom home.

In addition to the BMR Homeownership Program, the City offers the BMR Rental Program to provide rental assistance to lower-income households. Since 1990 the program has assisted 85 households, plus an additional 148 households from a Federal Tax Credit project not assisted by the City. Program participants must be income eligible and be a resident of Santa Clara County or employed in Morgan Hill. Eligible participants are placed on a waiting list and must reapply annually. Households on the waiting list must also meet the requirements of the owner/agent to receive housing. These requirements may include a credit check, references, ability to meet deposit requirements, etc. to ensure the owner/agent that the potential tenant is responsible. Tenants under the program must re-certify annually that they still qualify to be eligible to receive continued coverage. Current rental rates range from \$625-\$818 for a one-bedroom unit rented to a very low-income household, to \$1,475 to \$1,519 for a four-bedroom unit rented to a lower-income household. Rents include utilities.

The City also offers a Housing Rehabilitation Loan Program, where loans are given to lower-income single-family owner occupants and owners of rental housing with income-qualified renters in order to maintain and improve housing conditions, which also allows the City to maintain its stock of affordable housing. The loans are available to qualifying homeowners and owners of rental properties in which at least 51 percent of the rental units are occupied by lower-income tenants. Loans may be used for plumbing and heating, electrical and lighting work, earthquake retrofitting, fire prevention, security and safety items, roofing, handicapped accessibility, termite and dry rot repair, and other improvements approved by the City. Loans range from \$0 to \$65,000 depending on the work needed and the type of unit being repaired. Interest rates range from 3.0 percent to 7.0 percent for rental property loans and 3.75 percent to 6.75 percent for owner occupied properties. The maximum loan term is 20 years, and may be amortized or deferred. Loans are financed through Redevelopment Agency (RDA) 20 Percent Set-aside Funds and CDBG monies. In fiscal year 1999-2000, 11 single-family units were rehabilitated. Since 1987, 28 property owners have received loans under CDBG financing and 43

property owners have received loans under the RDA Set-aside Funds. Therefore, a total of 71 property owners have received assistance through this program.

The City's Minor Home Repair Grant Program is broken into two subprograms: the Senior/Special Needs Housing Repair Program and the Mobile Home Repair Program are administered by the Business Assistance and Housing Services Department. Although eligibility requirements slightly differ, both programs allow eligible applicants to receive a home repair grant up to \$5,000. No repayment is required, as funding is made possible by the City's Redevelopment Agency Set-aside Funds for low-income housing repair. Eligible persons must meet homeownership, age, disability, and income requirements for the Senior/Special Needs Housing Repair Program or mobilehome ownership and income limits for the Mobile Home Repair Program. Eligible repair work includes: plumbing and heating, electrical and lighting work, earthquake retrofitting, fire prevention, security and safety items, roofing, handicapped accessibility, termite and dry rot repair, and other improvements approved by the City.

Housing Set Aside Projections for 2000 through 2004 estimate \$13,987,820 will be available for housing rehabilitation loans (30 percent or 190 loans), senior housing and mobile home repair grants (15 percent or 300 loans), below market rate housing (5 percent), and new development/major rehabilitation/special programs (50 percent or 200 projects).

## Internal Consistency of General Plan

State law requires the Housing Element contain a statement of “the means by which consistency will be achieved with other general plan elements and community goals” (California Government Code, Section 65583[c][6][B]). There are two aspects of this analysis: 1) an identification of other General Plan goals, policies, and programs that could affect implementation of the Housing Element or that could be affected by the implementation of the Housing Element, and 2) an identification of actions to ensure consistency between the Housing Element and affected parts of other General Plan elements.

The Morgan Hill General Plan contains several elements with policies related to housing. Policies and the means for achieving consistency are summarized below in Table 1. The City will ensure consistency between the Housing Element and General Plan policies through the following actions in the Housing Element:

Table 1		
Consistency of Housing Element with Other General Plan Policies		
General Plan Element	Policy	Means for Achieving Consistency
Community Development	Policy 2.a	<p><i>Encourage the orderly development of the city, with concentric growth and infill of existing developed areas.</i></p> <p>The General Plan designates areas for future residential development primarily within and adjacent to existing developed areas. This policy is reinforced through zoning that provides for higher densities in these areas.</p>
	Policy 2.b	<p><i>Ensure that facility/service standards can be met for new development by the time of occupancy.</i></p> <p>The City updates its capital improvement plan and budget annually to ensure that infrastructure is available to serve new residential development prior to occupancy.</p>
	Policy 2.d	<p><i>Plan for the needs of all socioeconomic segments of the community, encouraging self-sufficiency in jobs and housing within the city.</i></p> <p>The City has implemented a balanced approach to growth through the distribution of land uses for residential, commercial, and industrial purposes in the General Plan. The City's General Plan and zoning provides for a range of residential densities to meet the housing needs of all income groups. The objective of providing for all income groups is further reinforced through the City's Residential Development Control System (RDCS), which sets-aside 20 percent of the housing unit allocation for developments that contain 100 percent affordable housing and awards points for market-rate developments that include affordable housing.</p>



**Table 1****Consistency of Housing Element with Other General Plan Policies**

	Policy 6.a	<p><i>Avoid development in areas of natural hazards such as landslide and flood prone areas.</i></p> <p>The City's zoning and development standards ensure that residential development does not expose residents to unreasonable levels of natural hazards.</p>
	Policy 6.b	<p><i>Encourage the clustering of residential units to provide open space and recreation areas, and to provide buffer areas between different land uses.</i></p> <p>The General Plan Community Development Element and implementing zoning provide for a range of residential developments, allow planned developments, and encourage clustering of dwelling units to preserve open space.</p>
	Policy 6.c	<p><i>Evaluate potential impacts of development projects on adjacent uses in initial environmental assessments and EIRs.</i></p> <p>The City's environment assessment procedures require consideration of potential adverse environmental impacts from new development and mitigation of those impacts, if feasible. The General Plan Community Development Element contains policies to reduce potential conflicts among land uses.</p>
	Policy 7.b	<p><i>Plan for an approximate 70/30 ratio of single family detached to single family attached and multi-family housing for all residential development.</i></p> <p>The City's General Plan Community Development Element distributes land uses among low, medium, and high density residential uses. To date, the result has been that about 28% of the City's housing stock consists of attached single-family and multifamily dwellings. This policy has not limited the City's ability to zone sufficient land to meet its very low-, low-, and moderate-income housing needs or to allocate such units through the RDCS. If this policy creates a constraint in the future, the City may need to re-evaluate the 70/30 policy and its implementation through the RDCS.</p>
	Policy 7.c	<p><i>Under the RDCS procedures, continue to emphasize single-family development in the distribution of units between single and multi-family development.</i></p> <p>To date, these policies have not limited the City's ability to zone or allocate sufficient units at appropriate densities to meet its housing needs for all income groups. Currently, the City's RDCS system includes a set-aside for affordable housing and points for market-rate developments that contain affordable units. The City will re-evaluate and modify this policy in the future if it creates a constraint to accommodating the City's affordable housing needs.</p>

Table 1

## Consistency of Housing Element with Other General Plan Policies

	Policy 7.d	<p><i>Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.</i></p> <p>The City has taken these criteria into consideration in assigning land use designations under the General Plan.</p>
	Policy 7.e	<p><i>Provide for an adequate supply of multi-family housing, located convenient to shopping, services, and transportation routes.</i></p> <p>See explanation of policy 7.d.</p>
	Policy 7.f	<p><i>Continue to provide for mobile home parks and modular home developments at appropriate locations within the city, employing high standards of site planning and design.</i></p> <p>The City continues to permit manufactured housing on single-family lots and mobilehome parks in residential areas, subject to development policies contained in the Community Development Element and standards included in the Zoning Ordinance.</p>
	Policy 7.h	<p><i>Utilize all parcel sizes and land use categories in updating the City's Zoning Ordinance to provide for al full range of residential densities and housing types.</i></p> <p>The City's zoning code permits densities of up to 40 dwelling units per acre on appropriate sites, sufficient for a range of housing unit types, from single-family homes on large lots to rental apartments. The City also permits housing in the mixed use zoning district, further increasing the range of residential options.</p>
	Policy 7.i	<p><i>Encourage a mix of housing types and lot sizes within residential projects with five or more lots or units.</i></p> <p>The point system contained in the RDCS encourages this mix.</p>
	Policy 7.j	<p><i>Support actions to maintain an adequate supply of single family housing throughout the community, including provision of affordable single family housing to those persons who work within the community.</i></p> <p>The City has identified sufficient land zoned for single-family use to meet the City's needs through at least 2020. The General Plan and implementing zoning provide for a medium-density residential category that encourages the production of small-lot and/or attached single-family homes that are affordable to moderate-income households.</p>

**Table 1****Consistency of Housing Element with Other General Plan Policies**

	Policy 7.k	<p><i>To the maximum extent possible, emphasize single-family units in affordable housing allocations, rental and ownership housing assistance projects, and rehabilitation programs to improve the existing housing stock.</i></p> <p>Application of the RDCS point system encourages the inclusion of affordable single-family homes in market-rate projects. Most of these homes are affordable to moderate-income households, although a few have been affordable to low-income households. The RCDS also includes a 20 percent set-aside for 100 percent affordable housing developments. General Plan policies encourage the preservation of existing residential neighborhoods, and the Redevelopment Agency has implemented these policies by providing funding for housing rehabilitation.</p>
	Policy 7.l	<p><i>Encourage preservation and rehabilitation of single-family neighborhoods within the city.</i></p> <p>See policy 7.k</p>
	Policy 7.m	<p><i>Allow residential uses in commercial zones and residential and commercial uses within a structure in a commercial zone, subject to meeting performance standards.</i></p> <p>The General Plan and implementing zoning allow residential uses (either as stand-alone or mixed-use projects) in the Central Commercial-Residential district.</p>
	Policy 7.n	<p><i>Subject mobile home park and subdivision development to RPD zoning.</i></p>
	Policy 7.p	<p><i>Provide housing at a range of costs that meet the needs of all sectors of the workforce.</i></p> <p>The City's General Plan land use designations, implemented through the Zoning Ordinance and the RDCS, encourage a mix of housing types and cost ranges. The Community Development Element provides for a range of residential densities, up to 40 dwelling units per acre.</p>
	Policy 7.q	<p><i>The area designated for Single Family Low Density residential use located at the southwest corner of the intersection of Murphy and Diana Avenues shall be implemented using the R-1 12,000 zoning district.</i></p> <p>The designation of this area as R-1 12,000 is consistent with the range of residential densities encouraged under the Housing Element and will not conflict with the City's ability to accommodate its future housing needs under the Housing Element.</p>



**Table 1****Consistency of Housing Element with Other General Plan Policies**

		<i>Maintain distinct boundaries between commercial uses and residential neighborhood.</i>
	Policy 8.a	The General Plan land use diagram provides for appropriate boundaries between commercial and residential areas. General Plan policies also permit residential and residential-commercial mixed-use projects in the Central Commercial – Residential zone. Buffers between residential and commercial uses can be required as part of the site design process.
	Policy 8.b	<i>Require any higher-density multi-family developments to include site design and a variety of unit types to mitigate potential impacts typically associated with larger projects.</i>  The City's RDCS includes points for project design that address impacts associated with higher-density development. The City has applied the RDCS system to ensure both high quality design and affordability of housing for all income groups.
	Policy 8.c	<i>Design residential neighborhoods so they are distinct and separated from conflicting non-residential uses.</i>  See policy 8.a.
	Policy 12.a	<i>Avoid monotony in the appearance of residential development.</i>  The City's RDCS includes points for creative project design.
	Policy 12.d	<i>Rehabilitate or replace run-down, blighted buildings and developments, including trailer courts.</i>  The Community Development Element of the General Plan includes policies for preserving for existing residential neighborhoods when possible. The Morgan Hill Redevelopment Agency has used its funds to rehabilitate or replace housing to achieve these policies.
	Policy 13.1	<i>Encourage residential uses on upper floors above commercial uses in the downtown area.</i>  The Community Development Element and implementing zoning provide for residential uses on upper floors above commercial uses and ground floor elsewhere, which potentially permits a broader range of housing options to achieve the objectives of the Housing Element.
	Policy 15.b	<i>Maintain existing residential feathering [transitional features] south of Watsonville Road and west of Monterey Road, and maintain the residential estate designation east of Monterey Road to the railroad.</i>  The City has adopted land use designations, implementing zoning, and design standards to achieve a transition from rural to urban uses. This transition is consistent with the Housing Element, which seeks to provide for a range of residential development patterns and housing types.

Table 1

## Consistency of Housing Element with Other General Plan Policies

	Policy 19.k	<p><i>In order to avoid de facto segregation in schools, plan housing for low and moderate-income families throughout the South County where urban services are available. Avoid concentration of such housing in any one area.</i></p> <p>Through the application of land use designations in the General Plan and the RDCS system, the City has avoided over-concentration of any one housing type in a specific part of the City.</p>
	Policy 20.b	<p><i>Septic systems should be used only for low-intensity uses where they will not have a negative impact on the environment.</i></p> <p>The City requires new housing units to connect to the public sewer system, unless the property owner can show adequate site and soil capability to store and process wastewater on site.</p>
	Policy 21.b	<p><i>Ensure that new development does not exceed the water supply.</i></p> <p>Anticipated development, including residential development at least through 2006, will not result in a shortage of storage, treatment, or distribution capacity that would negatively impact the City's ability to accommodate its regional housing allocation for all income groups.</p>
	Policy 21.f	<p><i>Protect streambeds and other appropriate percolation areas from encroachment by urban development.</i></p> <p>The General Plan designates land uses for urban development and contains policies for direct development away from such environmentally sensitive areas. The City does not anticipate that the presence of such sensitive areas will affect the ability of Morgan Hill to accommodate future housing needs under the Housing Element.</p>
Economic Development	Policy 1.f	<p><i>Encourage mixed-use development downtown with residences above ground floor commercial uses.</i></p> <p>See policy 13.1.</p>
	Policy 2.c	<p><i>Balance job and housing supplies to minimize housing cost increases, traffic congestion and commute times, and to optimize economic diversity and capacity to provide services.</i></p> <p>See policy 2.d.</p>
Circulation	Policy 3.c	<p><i>Require developers to provide for the construction of their portion of arterial and collector streets at the time of development.</i></p> <p>The City's Zoning Ordinance, with accompanying impact fees, implements this policy and ensures that new residential development is adequately served by appropriate circulation systems.</p>

**Table 1****Consistency of Housing Element with Other General Plan Policies**

	Policy 5.a	<p><i>Ensure that all developments provide adequate and convenient parking.</i></p> <p>The City has implemented this General Plan policy through parking standards in the Zoning Ordinance. Parking standards vary by the type of residential development (single-family, multifamily, senior housing, mixed-use development, etc.) The City may apply parking standards in a flexible manner so as not to create an unreasonable financial burden on affordable housing developments and balance Housing Element policies with Circulation Element policies.</p>
	Policy 6.d	<p><i>Development shall be designed to conserve soil and avoid erosion.</i></p> <p>The General Plan designates future residential development to avoid areas subject to significant erosion. The City has also implemented development standards to mitigate erosion during the development process and on-site and downstream erosion resulting from developed lands containing impermeable surfaces.</p>
	Policy 7.a	<p><i>New development should be designed to exceed State standards for the use of water and energy.</i></p> <p>The City's RDCS provides points for development projects that include water and energy conserving features exceeding state standards. These conservation measures do not significantly add the initial cost of residential development and save operating costs over the life of a residential unit. This policy does not impede the City's ability to achieve affordable housing objectives under the Housing Element.</p>
	Policy 7.b	<p><i>Promote energy conservation techniques and energy efficiency in building design, orientation and construction.</i></p> <p>The City implements state energy conservation standards contained in Title 24 of the California Code of Regulations (California Building Code Standards) for new construction. These standards create a net benefit for new residential structures by significantly reducing energy costs over the life of a housing unit. Implementation of these standards does not impede the City's ability to achieve affordable housing objectives under the Housing Element.</p>
	Policy 7.j	<p><i>The incorporation of renewable energy generating features, like solar panels, should be encouraged in the design of new development and in existing development.</i></p> <p>See explanation of Policy 7.a.</p>
	Policy 7.k	<p><i>Promote water conservation and efficient water use in all public and private development projects and landscaping plans.</i></p> <p>See explanation of policies 7.a and 7.b.</p>



**Table 1****Consistency of Housing Element with Other General Plan Policies**

Public Health and Safety	Policy 1.a	<p><i>Limit uses on lands with geologic hazards.</i></p> <p>The General Plan designates land uses to avoid geologic hazards. The City has determined that sufficient land is available to meet future residential needs without development of areas subject to geologic hazards. Areas of the City designated for the highest density urban development are potentially exposed to seismic hazards from known or inferred faults within the Morgan Hill planning area and the region. The City implements seismic safety requirements of the California Building Code Standards to mitigate seismic hazards, however.</p>
	Policy 1.b	<p><i>Where urban development has already occurred and there has been extensive capital improvements made, use mitigation procedures for development on lands with geologic hazards, including geologic investigations on a scale commensurate with development where geologic data indicates there is a known or suspected problem.</i></p> <p>The City has implemented development standards that require geological investigations and mitigations for potential site-specific conditions (such as potential for slope failure due to seismic activity). This requirement primarily applies to areas of significant slope or near known or inferred hazards (such as fault lines). The requirement for site-specific investigations does not significantly constrain housing availability or affordability in areas designated for higher density residential development.</p>
	Policy 1.d	<p><i>Known or potential geologic, fire, and flood hazards should be reported as part of every real estate transaction, as well as recordation on documents to be reported for building permits, subdivisions and land development reports. Mitigation hazards should be noted in the same manner.</i></p> <p>The reporting process is a requirement of state law implemented by the City through its building permit process, although the City does not have direct responsibility for regulating real estate transactions.</p>
	Policy 1.g	<p><i>New development should avoid hazardous and sensitive areas, and should occur only where it can be built without risking health and safety. New habitable structures should not be allowed in areas of highest hazard such as floodways, active landslides, active fault traces, and airport safety zones. In areas of less risk, development should be limited and designed to reduce risks to an acceptable level.</i></p> <p>See explanation of policy 1.a and 1.d.</p>
	Policy 1.h	<p><i>Hillsides should be protected, and development should be carefully controlled on steep slopes. When hillside land is developed, it should be done with minimum disruption of topography and vegetative cover.</i></p> <p>See explanation of policy 1.a and 1.d</p>

Table 1

## Consistency of Housing Element with Other General Plan Policies

	Policy 1.j	<p><i>Keep development in hazardous areas to a minimum by encouraging low-density, low-intensity uses and the types of uses least disruptive to the soil and vegetative cover.</i></p> <p>See explanation of policy 1.a and 1.d</p>
	Policy 1.i	<p><i>Prohibit development on known active landslides and limit development in areas where such development might initiate sliding or be affected by sliding on adjacent parcels.</i></p> <p>See explanation of policy 1.a and 1.d</p>
	Policy 1.m	<p><i>Prohibit development in areas where increased runoff from the addition of impervious surfaces and drainage would increase the probability of downslope landsliding, or where additional projects would add to the cumulative effect of increased runoff, unless a downslope drainage improvement plan has been approved.</i></p> <p>See explanation of policy 1.a and 1.d</p>
	Policy 1.n	<p><i>Cluster development in hazardous areas with dwellings grouped on the least hazardous portion of the property.</i></p> <p>See explanation of policy 1.a and 1.d</p>
	Policy 1.o	<p><i>Limit development in less hazardous areas and design it to reduce risks to an acceptable level.</i></p> <p>See explanation of policy 1.a and 1.d</p>
	Policy 2.a	<p><i>Ensure that appropriate precautions are taken during development to minimize the risk of fire and/or explosion associated with high-pressure gas lines.</i></p> <p>The City regulates the types of land uses and structures near high-pressure gas lines and development activities that could impact such lines through implementation of the California Building Code Standards.</p>
	Policy 2.b	<p><i>Minimize development in fire hazard areas and plan and construct permitted development so as to reduce exposure to fire hazards and to facilitate fire suppression efforts in the event of a wildfire.</i></p> <p>The General Plan identifies areas subject to fire hazards (generally vegetated hillside areas) and designates land use patterns to mitigate potential exposure to fire hazards. The City also implements development standards in the Zoning Ordinance and the California Building Code Standards to reduce fire hazards while accommodating housing needs identified in the Housing Element.</p>

Table 1

## Consistency of Housing Element with Other General Plan Policies

	Policy 2.c	<p><i>Avoid actions that increase fire risk, such as increasing public access roads in fire hazard areas, because of the great environmental damage and economic loss associated with a large wildfire.</i></p> <p>See explanation of policies 2.a and 2.b.</p>
	Policy 4.b	<p><i>Prohibit development in floodways and regulate in floodplains to minimize flood damage and be consistent with the federal flood insurance program and Santa Clara Valley Water District regulations.</i></p> <p>The General Plan designates land uses to avoid development in floodplains. None of the areas designated for future residential development to meet the City's Housing Element objectives will require development in flood-prone areas.</p>
	Policy 4.c	<p><i>Limit development along the shores of reservoirs which can be expected to sustain damage from seismically-induced seiche waves.</i></p> <p>The General Plan does not designate areas for future residential development adjacent to a reservoir.</p>
	Policy 4.d	<p><i>Continue restricting development in areas of poor accessibility. Development should not be allowed in areas where access is provided by a single road that could be damaged by faulting or landslides, or where access could be cut off by wildfires, trapping residents or workers.</i></p> <p>This policy applies primarily to hillside areas and will not affect the City's ability to accommodate future housing needs as identified in the Housing Element.</p>
	Policy 4.h	<p><i>Areas which are developed or planned for development should be protected by the construction of flood control facilities. Development should be managed through advanced planning and design standards to minimize off-site flooding and drainage problems.</i></p> <p>The City requires appropriate flood control facilities as part of each new development. In addition, the City implements a capital facilities plan to coordinate the construction of citywide flood control facilities and facilities serving multiple properties. Through these requirements, Morgan Hill will continue to accommodate its housing needs while mitigating potential flood damage.</p>
	Policy 4.j	<p><i>If federal and state funds are not available for future flood control facilities and such facilities must be funded locally, assess the costs to those property owners who would benefit from and those who contribute to the need for such facilities.</i></p> <p>See explanation of policy 4.h. The City may reduce fees or use redevelopment funds to pay a portion of the costs of flood control for affordable housing projects that may be impacted by this additional cost.</p>



**Table 1****Consistency of Housing Element with Other General Plan Policies**

	Policy 4.k	<p><i>Require developers whose proposed projects would induce downstream flooding to provide mitigation to eliminate the flood-inducing impacts of their projects.</i></p> <p>See explanation of policies 4.h and 4.j.</p>
	Policy 4.l	<p><i>If development is to be allowed in flood-prone areas, provide flood control facilities or appropriate flood-proofing prior to or in conjunction with development at developer's expense.</i></p> <p>See explanation of policies 4.h and 4.j.</p>
	Policy 4.n	<p><i>Require mitigation of any storm water runoff produced by development that occurs beyond that described in the General Plans of the City and County as of 1982.</i></p> <p>See explanation of policies 4.h and 4.j.</p>
	Policy 4.o	<p><i>Require all local development to provide appropriate mitigation of off-site flooding impacts, including limiting runoff to pre-development levels and/or complete solutions to flooding and local drainage problems in the vicinity of the development, using such methods as detention or retention.</i></p> <p>See explanation of policies 4.h and 4.j.</p>
	Policy 4.p	<p><i>Require careful consideration of the cumulative effects of development which would drain into the upper reaches of Llagas Creek and other creeks, in order to avoid the need for channelization and consequent destruction of its riparian vegetation and natural habitat.</i></p> <p>The General Plan designates land uses to avoid impacting these watercourses. Residential development permitted in these areas will be low density and low-impact.</p>
	Policy 5.c	<p><i>Continue land use policies that limit the number of individual septic systems in areas vulnerable to groundwater contamination, because of the potential for cumulative degradation of water quality.</i></p> <p>The General Plan designates areas for low-density residential development where septic systems may be appropriate and implements development standards (including requirements for site investigations) to assure the capability of such sites to accommodate septic systems.</p>
	Policy 5.e	<p><i>In area where future development is not expected to be served by sewers, continue large lot policies which allow minimal development and limited numbers of septic systems.</i></p> <p>See explanation of policy 5.c.</p>

**Table 1****Consistency of Housing Element with Other General Plan Policies**

	Policy 7.a	<p><i>New development projects shall be designed and constructed to meet acceptable exterior noise level standards.</i></p> <p>The General Plan designates land uses to mitigate impacts on noise-sensitive land uses (such as schools and residential uses) by noise generating land uses. Implementation of California Building Code Standards provides for further mitigation of noise impacts.</p>
	Policy 7.b	<p><i>The impact of a proposed development project in existing land uses should be evaluated in terms of the potential for adverse community response based on significant increase in existing noise levels, regardless of compatibility guidelines.</i></p> <p>See explanation of policy 7.a</p>
Regional Coordination	Policy 1.j	<p><i>Land uses in rural areas should be low-intensity and limited in number, and public services to rural areas should be appropriately limited.</i></p> <p>The General Plan designates existing rural areas for low-density uses. The City will meet future housing needs identified in the Housing Element through higher density residential development in existing urbanized areas.</p>
	Policy 1.k	<p><i>Manage and schedule urban growth consistent with the ability to provide a full array of urban services and facilities, such as sewer capacity, water, transportation, schools, public safety and other urban services.</i></p> <p>The RDCS system ensures that development occurs in an orderly manner consistent with the City's ability to provide urban services and facilities.</p>
	Policy 1.l	<p><i>Urban growth should occur in an orderly and contiguous pattern, within designated urban service areas and encouraging infill of vacant urban land.</i></p> <p>See explanation of policy 1.k.</p>
	Policy 1.m	<p><i>Base expansion of urban service areas and annexations on the General Plan, consistent with the City's schedules for development and extension of services.</i></p> <p>See explanation of policy 1.k.</p>

## Evaluation of Achievements

An important aspect of the Housing Element is an evaluation of achievements under the policies and programs included in the previously adopted Housing Element. The evaluation provides valuable information on the extent to which programs have been successful in achieving stated objectives and addressing local needs, and to which these programs continue to be relevant to addressing current and future housing needs in Morgan Hill. The evaluation provides the basis for recommended modifications to policies and programs and the establishment of new objectives in the Housing Element.

Below is a summary of the City's findings regarding its achievements under the previous Housing Element and provides a brief evaluation of those achievements. The timeframe for these achievements is 1988 to 1998.

### **Actions:**

1a-1: Maintain an adequate supply of vacant land zoned for a range of residential densities.

1a-2: Evaluate annually the amount of land available for development to accommodate the City's ABAG-assigned regional housing allocation.

1a-3: Give high priority in the Capital Improvement Program to public facilities to accommodate the City's ABAG-assigned regional housing allocation.

### **Achievements:**

At the time the Housing Element was adopted, approximately 1,800 acres of land was zoned for single-family use and 250 acres for multifamily low-density use. Community Development Department staff reported annually to the City Council on the supply of residentially zoned land in relation to the City's future housing construction needs. The City's Capital Improvements Plan and annual implementation program has ensured that infrastructure improvements are timed to accommodate residential development needs.

The City believes that its residential zoning actions, annual monitoring, and capital improvement planning and implementation have achieved the objectives of Policy 1-a and have ensured that the City can accommodate its future housing construction needs.

### **Actions:**

1b-1: Identify 25 – 80 acres of land appropriate for higher density multifamily housing and amend the General Plan to accommodate additional R-3.

1b-2: Investigate the possibility of converting vacant industrial areas adjacent to major transportation corridors to multifamily use

### **Achievements:**

The City evaluated the supply of land zoned R-3 in relation to the City's remaining housing need for low- and moderate-income housing and determined that less than ten acres was needed to accommodate the City's remaining affordable housing needs through 2000. The City rezoned 8.8 acres of land for multifamily high-density use (R-3). In addition, the City rezoned 33 acres of formerly industrial-zoned land for multifamily use to meet housing needs after 2000.



**Actions:**

1c-1: Prepare and adopt a simplified RDCS allocation procedure for small-scale residential projects.

**Achievements:**

The City simplified the RDCS system by revising the point criteria so that small-scale residential developments would be competitive under the unit allocation system. As a result of the revisions, small residential developments can compete with larger, multi-phase developments.

**Actions:**

1d-1: Continue to ensure that an average 20 percent of all new housing allocations are designated for multifamily units.

1d-2: Ensure that a minimum of 30 percent of new multifamily units are rentals.

1d-3: Preserve multifamily zoning districts to the maximum extent possible.

1d-4: Avoid rezoning residential land for other uses and for lesser residential densities than shown on the General Plan.

1d-5: Require development of property designated as multi-family to occur at a density no less than the minimum density prescribed by the General Plan.

**Achievements:**

The City retained the requirement under its RDCS system to ensure that a wide variety of housing types at varying costs were produced. Between 1988 and 1998, 233 multifamily rental units were produced. These multifamily units represented approximately ten percent of all dwelling units constructed between 1988 and 1998. The production of multifamily units was lower than the City's objective due to market conditions during the late 1980s and early 1990s that did not favor multifamily housing production.

The City continues to make periodic adjustments to its allocation system to encourage a broad range of rental and ownership housing and single-family and multifamily housing. The City believes that, with these adjustments, the RDCS system has worked well. To assure the widest possible variety of housing under future allocations, the City maintained at least 85 acres of multifamily-zoned land for multifamily use. The City has required that all existing multifamily land be retained for such use and be developed at minimum densities consistent with the intent of the multifamily districts.

**Action:**

1e-1: Maintain the Residential Planned Development Provisions of the Zoning Ordinance that permit a variety of lot sizes for single-family homes.

**Achievements:**

The City has maintained its Planned Residential Development zoning, which has been used to create a number of different single-family developments with varying lot sizes. The Planned Development process has been used to permit smaller single-family lots and more affordable housing prices.

**Action:**

1f-1: Review General Plan and multifamily Zoning Ordinance provisions to determine the need to increase allowable densities

**Achievements:**

The two multifamily zones permit densities up to approximately 14 dwelling units per acre in the R2 Medium density zone and about 22 units per acre in the R3 zone (before density bonuses for affordable housing). In reviewing typical densities for very low- and low-income housing that has been constructed in Morgan Hill since the adoption of the RDCS, the City has concluded that densities of up to 27 units per acre, (based on a 25 percent density bonuses for affordable housing) is sufficient to facilitate affordable housing. Some of the affordable projects in Morgan Hill have been developed at less-than-permitted densities, although the City would have permitted higher density projects.

Based on discussions with affordable housing developers, the City has concluded that very low- and low-income family housing projects, particularly those with a large percentage of three- and four-bedroom units, tend to be developed at less than 20 dwelling units per acre. Development standards and other requirements imposed by funding sources, the need to ensure adequate space for children to play, parking associated with larger household sizes, and other facilities needed to support family housing tend to lower the maximum achievable density regardless of the permitted density. Density bonuses do not typically benefit these projects, as they are developed at or below the base density allowed in the R-3 zone.

Affordable housing developed for non-family households (such as single working adults) and seniors can benefit from density bonuses since these projects tend to be developed at more than 20 dwelling units per acre and frequently at 25 – 30 units per acre. Such densities are achievable in the City's R-3 zone with a density bonus.

**Actions:**

1g-1: Require that an appropriate percentage of all new market rate housing be affordable to lower-, median-, and moderate-income households.

1g-2: Prepare and adopt inclusionary housing provisions to require affordable housing in market rate projects that have been determined to be exempt from the RDCS.

1g-3: Continue to provide density bonuses and other incentives for those projects committing to provide appropriate amounts of below market rate units

**Achievements:**

The RCDS allocation system awards points for market-rate projects (projects not developed under the 20% percent set-aside for 100% affordable housing developments). Due to the competitive nature of the allocation process, virtually all market-rate projects have included at least 10% affordable housing to garner the maximum points possible. This policy has been very successful, having resulted between 1988 and 1998 in the provision of 153 very low-income, 257 low-income, 109 median/moderate-income housing units (519 total). Another 543 affordable units have been constructed, are under construction, or were approved under RDCS between 1999 and August 2001.

Due to the combination of the 20% allocation set-aside for 100% affordable projects and the point preference for market-rate projects that include at least 10% affordable housing

units, the City determined that a mandatory inclusionary housing requirement was unnecessary, and none was adopted. The City has calculated that nearly one-fourth of the housing units constructed, under construction, or approved under the RDCS have been affordable to very low-, low-, median-, or moderate-income households.

Although the City has made density bonuses available for projects containing at least 10% affordable housing units to very low-income households, 20% affordable units to low-income households, or at least 50% senior units, few of the affordable housing developers have taken advantage of density bonuses. Parcel size, the availability of financial subsidies, and other factors appear to affect the financial feasibility of affordable housing projects more than density bonuses in Morgan Hill. The Morgan Hill Redevelopment Agency has provided housing set-aside and CDBG funds in the past, the applied to state and federal programs, to assure sufficient funding for affordable housing projects.

As property values increase in Morgan Hill, density bonuses may become a more important incentive to assure the financial feasibility of affordable housing. For this reason, the City will continue to offer and promote density bonuses for affordable housing projects.

#### **Actions:**

lh-1: Give priority and offer incentives through the Inclusionary Zoning Ordinance to projects that provide units affordable to low- and very low- income households.

lh-2: Retain provisions within the RDCS which provide high point scores for developments that reserve a percentage of the proposed housing for below-market-rate units.

lh-3: Allow small projects (fewer than 16 units) to pay "in lieu" fees when it is not feasible to provide affordable housing on site.

#### **Achievements:**

All residential projects that have received allocations under RDCS have included affordable units, either as 100% affordable projects approved under the 20% set-aside for such projects, or in market-rate projects in which 10% or more affordable housing is typically provided. The City has allowed small projects to pay in-lieu fees to receive full credit for affordable housing under the RDCS allocation system.

The City believes that the affordable housing provisions of the RDCS, combined with the opportunity to receive density bonuses and other incentives, provide sufficient incentives to assure that all new projects contain or contribute to affordable housing. Between 1988 and 1998, 519 housing units affordable to very low-, low-, or moderate-income households have been provided under RDCS.

#### **Actions:**

li-1: Continue to reserve a minimum of 20 percent of the annual RDCS building allotments for very low-, low- and median-income housing.

li-2: Continue to use RDA Housing Set-Aside funds for financing 100 percent affordable projects, and consider assistance to below-market-rate housing.



li-3: Continue to assist market rate and non-profit developers to put together proposals for new affordable rental housing

li-4: Work with a non-profit housing agency to acquire market rate rental units for gradual conversion to a mix of market rate and affordable units.

li-5: Utilize City or Agency-owned remnant parcels for affordable housing.

#### **Achievements:**

The City has maintained a policy of setting aside 20% of the housing unit allocation under the RDCS for projects in which 100% of the housing units are affordable to very low-, low-, and median-income households. Between 1988 and 1998, 519 affordable housing units have been produced under RDCS, most of which have been very low- and low-income units. Since 1995, the RDCS point system has tended to favor affordable housing units targeted to households earning less than 80% of median income. The City is reviewing the point allocation system to determine the most effective way to increase incentives for the production of median- and moderate-income housing without creating disincentives for very low- and low-income housing.

Between 1988 and 1998, the Morgan Hill Redevelopment Agency has invested about \$9.5 million in low-income housing set-aside funds to assist in the construction and rehabilitation of 404 affordable housing units. Of this total, 266 were new affordable rental housing units and the remainder was ownership units.

The City believes that its activities in support of affordable housing through RDCS, zoning, and Agency activities have produced significant results and that these programs should be continued.

#### **Actions:**

lj-1 Ensure that new affordable BMR rental units assisted with RDA funds provide a high percentage of three- and four-bedroom units.

lj-2: Ensure that new BMR ownership units continue to offer a significant percentage of three- and four-bedroom units are three- or four bedroom units suitable for large families.

#### **Achievements:**

The Agency assisted in the creation of 147 very low-, low-, median-, and moderate-income three- and four-bedroom units. Of these units, 66 were very low- or low-income rental housing unit. Under the BMR ownership program, an additional 235 affordable housing units were created, of which 225 contained three or four bedrooms.

#### **Action:**

1k-1: Retain provisions in the Zoning Ordinance that permit manufactured housing by right in residential zoning.

#### **Achievements:**

The City has retained its zoning provisions that permit manufactured homes on single-family lots. However, the cost of land in Morgan Hill makes it unlikely that a manufactured home subdivision would be proposed. If necessary to encourage this housing alternative, the City could apply planned development provisions that would allow smaller lot manufactured home subdivisions and/or adjust its allocation process to

award more points to a manufactured home subdivision. A manufactured home subdivision that is 100% affordable would be eligible for the 20% set-aside under the RDCS.

**Actions:**

11-1: Continue to allow mobile home subdivisions within the Multi-Family (Low) density areas as a permitted use, and in other residential designations by use permit.

11-2: Conduct a study to evaluate the economics of mobile homes park development and identify incentives to foster their creation.

**Achievements:**

The City has retained provisions in its Zoning Ordinance that permit mobilehome parks in the Multi-Family (Low) density district. However, the cost of land in Morgan Hill makes it unlikely that a new mobilehome park would be developed in Morgan Hill. If necessary to encourage this housing alternative, the City could adjust its allocation process to award more points to a mobilehome park. A new mobilehome park that is 100% affordable would be eligible for the 20% set-aside under the RDCS.

The City has not conducted a study of the economic feasibility of developing a new mobilehome park because it believes the greatest financial impediments are related to the cost of land and availability of financing. The Morgan Hill Redevelopment Agency could assist in assembling and purchasing a suitable site for a new mobilehome park and accessing state or federal funding for its development (if proposed as an affordable park for very low- and/or low-income households). These actions could address potential financial impediments if an interested mobile home park developer presents a proposal to the City.

**Action:**

1m-1: Retain the Central Commercial Residential (CC-R) zoning classification around the downtown

**Achievements:**

The City retained the Central Commercial-Residential zoning classification around the downtown area. Except for Agency assisted projects, however, no residences have been developed in or adjacent to the downtown area. Demand for housing downtown has been weak during the 1990s, but may be a viable alternative over the next ten years given the changing nature of the Morgan Hill housing market. The City will continue to retain the Central Commercial-Residential zoning and continue to offer regulatory and financial incentives to interested developers.

**Action:**

1n-1: Evaluate commercial areas outside the Downtown core to apply a special mixed-use zoning category wherever mixed residential and commercial uses are appropriate.

**Achievements:**

The City has a Planned Unit Development (PUD) process that permits mixed-use developments anywhere in the City that are physically suited for such uses. The City believes that the PUD provisions are sufficiently flexible so that a special mixed-use zone is not necessary.

**Action:**

1o-1: Establish a low interest loan program to provide below-market-rate financing for the construction of second units for very low- and low-income households.

**Achievements:**

The Agency established, and marketed, a low-interest loan program for new second units in which owners agreed to long-term affordability restrictions for very low- or low-income households. Program eligibility criteria were established to permit the broadest participation possible. No property owners applied for the program because of the availability of private financing at reasonable rates without the affordability deed restrictions. The Agency does not believe that any low-interest loan program would be marketable in Morgan Hill because property owners do not want to have their second units encumbered by long-term affordability restrictions. The Agency has, therefore, decided to discontinue this program.

**Actions:**

1p-1: Continue the Mortgage Credit Certificate (MCC) Program in conjunction with the County.

1p-2: Require relocation assistance when private redevelopment displaces very low-, low-, or moderate-income residents.

1p-3: Encourage landlords to utilize rental assistance programs, such as housing vouchers and Section 8 vouchers administered by the Housing Authority of Santa Clara County.

1p-4: Investigate guaranteeing the first and last month's rent and security deposit for eligible renter households

**Achievements:**

The Agency continues to participate in the MCC Program, which has been relatively successful in Morgan Hill. Except for the year 1993, more than 15 vouchers were issued each year.

The Housing Division of the Agency monitors the process to ensure compliance of qualified, displaced residents. The monitoring begins with notification from Community Development. To date, private actions have triggered the relocation requirements for four dwelling units.

The Housing Division distributed information annually to interested landlords and provides referrals to the Santa Clara County Housing Authority for more information on participation in the Section 8 Program. Participation by landlords in the Section 8 Program is based on market factors that are beyond the City's control, however.

After considering establishing a new program to provide first-and-last-month's rental assistance, the Housing Division determined that existing programs offered by area non-profit organizations were sufficient to meet the local need. Rather than establish a duplicative program, the Agency has decided to refer needy households to area nonprofit organizations that provide this assistance and support these existing programs through financial contributions, if necessary.



**Actions:**

1q-1: Allocate a share of the RDA “20 percent” Housing Set-Aside funds to affordable housing projects that cover a significant portion of project costs from other funding sources.

1q-2: Continue to work with local legislators and provide input to the State Legislature to ensure that State programs and legislation meet local housing needs and programs.

**Achievements:**

Most of the affordable housing developments assisted financially by the Agency through the 20% housing set aside funds obtained the majority of their funding from other sources, resulting in a high rate of leverage of Agency funds. Due to the success of this policy, the Agency will continue to use a high percentage of its housing set-aside funds for the construction of new affordable housing and require that developers leverage Agency funds with other sources.

The Agency’s Housing Division monitors proposed legislation each year and participates directly and through the California Redevelopment Association in providing input to the Legislature.

**Actions:**

1r-1: Provide home improvement loans through the City’s Housing Rehabilitation program

1r-2 Continue to provide assistance to property owners with 15-year loans under the Replacement Housing program.

**Achievements:**

Since 1988, the Agency has provided nearly \$2.4 million in 20% housing set-aside funds and CDBG funds in support of housing rehabilitation. The Agency has assisted in the improvement/rehabilitation of over 100 housing units and mobilehomes through home improvement programs.

No developers applied for Agency assistance under the Replacement Housing Program, but four units were replaced by private developers as required under the City’s program. Agency funds were not necessary to ensure replacement of housing units. The City will continue to offer this program, however, in the event financial assistance is necessary in the future to ensure replacement of housing units.

**Actions:**

1s-1: Conduct a major review of housing demand by income and family size using 1990 Census data.

1s-2: Review housing objectives annually and recommend program modifications if annual housing objectives are not being met.

**Achievements:**

The City did not conduct a study of housing demand, nor was one necessary. Through its periodic adjustments to the RDCS, the City evaluates changes in the local housing market and housing demand. A separate study was, therefore, not necessary.

Annual review of housing objectives is achieved through the annual General Plan Implementation report. As part of the report, City staff provides recommendations to the City Council on proposed modifications to Housing Element implementation programs to better meet housing objectives.

**Action:**

1t-1: Continue to require the recordation of deed restrictions for all affordable units

**Achievements:**

The Agency recorded deed restrictions on all affordable housing units. The Agency requires deed restrictions on both ownership and rental housing units, although the period of affordability for ownership units has varied since 1990. Currently, the Agency seeks deed restrictions of at least 30 years on all affordable housing units.

**Actions:**

lu-1. Continue to exercise the City's first-option rights to purchase BMR units upon resale, and extend the affordability restrictions as part of the next sale to eligible purchasers.

lu-2. Develop a program to encourage the sale of BMR units to the City where financially justifiable before deed restrictions expire.

**Achievements:**

The Agency continues to reserve its right of first refusal for purchase and continues price restrictions on BMR ownership units. Because the waiting list is so long for these units, the Agency has not had to exercise its right over the past several years.

The Agency allowed its affordability restrictions to lapse after the County had induced the new owner to extend the same deed restrictive language in its agreement until July 2009.

**Action:**

lv-1: Continue the City's program to restrict conversion of rental units to condominiums if the rental vacancy rate is less than 5 percent.

**Achievements:**

The City has maintained its condominium conversion requirements, but has not received any requests for conversion.

**Actions:**

lw-1: Refer discrimination complaints to Operation Sentinel or other organizations which combat housing discrimination.

lw-2: Allocate CDBG and other funds to support Operation Sentinel or other organizations which promote fair housing programs.

lw-3: Maintain an equitable buyer-selection procedure for low-, median-, and moderate-income units.

1w-4: Continue to publicize and broaden understanding and acceptance of City housing programs

**Achievements:**

The City refers housing discrimination complaints to Project (formerly Operation) Sentinel and allocates a portion of its annual CDBG allocation to Operation Sentinel for fair housing activities.

The use of a lottery procedure for the selection of buyers was discontinued after an evaluation that concluded that the selection of buyers by lottery was inequitable. The procedure was substituted by a waiting list that offers equitable participation in the buyer selection of affordable units.

Public service announcements were published on the City's local public access television channel and in City publications. Morgan Hill also contracted with a variety of public services agencies, such as Project Sentinel, Emergency Housing Consortium, and Second Harvest Food Bank, in which the scope of services included annual public presentations and/or publications. These methods of publication and dissemination appear to be very effective in increasing public awareness and participation in most City programs. Exceptions, as noted previously, are programs in which no level of publicity would have resulted in greater levels of participation.

**Actions:**

1x-1: Retain provisions within the RDCS that give higher ratings to projects that create neighborhoods and residential developments of ethnic and economic diversity.

1x-2: Develop methods to integrate affordable units constructed by non-profit developers into proposed market rate developments.

**Achievements:**

The City has maintained these provisions of the RCDS, which has successfully resulted in mixed-income residential developments. Due to the competitive nature of the RDCS, market-rate projects typically include affordable housing units without the participation of nonprofit organizations. The City investigated the feasibility of integrating nonprofit-constructed affordable housing units into market-rate developments, but the size of most residential projects in Morgan Hill does not make this option feasible.

**Action:**

1y-1: Prepare and adopt requirements and standards for mobile home and manufactured housing developments consistent with State Law.

**Achievements:**

The City's current zoning standards for manufactured housing and mobilehomes comply with state requirements to allow such housing options in residential zones.

**Action:**

1z-1: Retain RDCS incentives for energy conserving building techniques for residential construction.



**Achievements:**

The City revised the RDCS allocation process to provide additional points for residential projects that incorporate energy conservation techniques that exceed minimum state requirements. The revisions have resulted in new residential projects that are even more energy efficient than comparable residential projects that only comply with state standards.

**Actions:**

2a-1: Continue the City's Home Improvement Loan Program which provides rehabilitation assistance using both RDA 20 percent and CDBG funds

2a-2: Continue City's code enforcement programs with emphasis on rental units, assistance in maintaining affordability, and non-displacement of existing tenants.

2a-3: Ensure that CC-R zoning provisions and design requirements are appropriate and flexible to facilitate the rehabilitation and retention of existing residential development.

2a-4: Ensure that all housing units rehabilitated with City assistance are energy efficient

**Achievements:**

For 2a-1, see achievements for Actions 1r-1 and 1r-2.

The City has an active enforcement program, with one code enforcement officer. The City's main code enforcement problems are illegal signage, failure to obtain building permits, and improper storage of vehicles, boats, and trailers. Other offenses include public nuisances, litter, illegal dumping, and other similar offenses. As of August 2001, the City had a total of 750 code violations, over half of which were illegal sign postage.

The City conducted a review of its CC-R zoning provisions and determined that the development standards include sufficient flexibility to encourage the rehabilitation and retention of residential uses.

Housing units assisted under the rehabilitation program typically receive energy efficiency improvements, such as new doors, windows, insulation, and weatherstripping. The City also allocates CDBG funds to Economic and Social Opportunities for its Weatherization Program, which is available to Morgan Hill residents.

**Actions:**

2b-1: Coordinate the planning and funding of neighborhood infrastructure improvements by integrating the Capital Improvement Program with Redevelopment Agency programs.

2b-2: Support neighborhood code enforcement programs with low cost loans and technical assistance to homeowners.

2b-3: Continue public information efforts to encourage property owners in target neighborhoods to participate in the rehabilitation loan program.

2b-4: Utilizing the Rehabilitation Loan program, continue to assist the expansion of existing units to alleviate overcrowding.

**Achievements:**

The City coordinates capital improvement funding decisions under its Capital Improvement Program with its affordable housing strategies implemented through the Housing Element and Redevelopment Implementation Plan.

For 2b-2, see achievements under Actions 1r-1 and 1r-2. To encourage participation in the rehabilitation program, the Agency periodically mails information letters to property owners, leaves flyers at doorsteps in targeted neighborhoods, and places public service announcements in local media. The Agency believes that its marketing efforts are successful given the level of participation and funds expended annually on the program.

Although the Agency continues to market the availability of the rehabilitation program to add bedrooms to alleviate overcrowding, there have been no requests by property owners to use the program for this purpose. The overwhelming majority of eligible low-income homeowners are older adults and small family households for which overcrowding is not a concern. The Agency has achieved greater success in addressing overcrowding by assisting in the development of new three- and four-bedroom housing units.

**Actions:**

2c-1: Maintain the City's rent stabilization ordinance for mobile home parks.

2c-2: Consider instituting a special mobile home park zone to protect against future conversion to other uses.

2c-3: Continue the City's program to provide rehabilitation loans to upgrade older mobile homes.

2c-4: Investigate opportunities to assist in resident purchase of existing mobile home parks.

**Achievements:**

The City has maintained its rent stabilization ordinance, which has been successful in limiting the rate of rent increases in mobilehome parks.

The City examined the need for a special mobile home park zone to retain existing parks and determined that the likelihood of conversion is low. Existing mobilehome parks in the City have either converted to resident ownership or have shown significant investment by owners, indicating a long-term strategy to maintain the current use of property.

The Agency uses 20% housing set-aside funds to assist mobilehome owners. See Actions 1r-1 and 1r-2 for further information.

Agency staff met with mobilehome park owners and residents regarding opportunities for resident purchase and ownership (including financing options under state and federal programs). The City completed a feasibility study. One mobilehome park has converted to resident ownership, but a second park did not convert due to the inability of residents and owners to reach an agreement on purchase terms. The City believes that residential ownership is still a viable option and will continue to facilitate negotiations between residents and mobilehome parks owners (including assistance in access funding) if requested by either or both parties.

**Action:**

3a-1: Review the RDSC criteria to strengthen incentives for the production of housing for large families in the "Housing Needs" and "Housing Types" sections of the criteria.

**Achievements:**

Most new homes approved under the RDSC have three or more bedrooms. No further revisions to RDSC allocation criteria are considered necessary to encourage housing with more bedrooms.

**Action:**

3b- 1: Work with the Shared Housing program or other non-profit organization to acquire or finance the construction of a four-plex to provide shared housing for single parents.

**Achievements:**

In 1995, the Agency assisted South County Housing to develop Depot Commons, an innovative share rental housing development that can accommodate 12 persons at one time.

**Actions:**

3c-1: Continue to enforce State and federal requirements for accessibility to the disabled in new multi-family units.

3c-2: Provide low interest rehabilitation loans to make existing residences accessible to the disabled

3c-3: Work with "The Bridge" to acquire at least one additional multi-family unit in Morgan Hill for shared residence for mentally impaired homeless adults.

**Achievements:**

The City continues to enforce state and federal accessibility requirements for new housing on all new multifamily developments.

Approximately ten homes were retrofitted with accessible items for the disabled, such as wheelchair ramps, shower grab bars and seats, and front and rear entrance grab bars.

In South County, Community Solutions provides housing and support services to mentally ill, homeless, disabled adults. In 1985 the City provided \$50,000 of CDBG funds to assist Community Solutions in purchasing a duplex unit that is used as permanent affordable rental housing. The City assisted Community Solutions in the purchase of a second multi-family unit with RDA funds in 1995.

**Action:**

3d-1. Investigate the potential for a joint venture between the City and a non-profit housing group to produce farmworker housing.

**Achievements:**

City staff met several times with the countywide Homeless Task Force regarding the potential for rehabilitating or constructing new housing for farmworkers to be funded



under the U.S. Department of Agriculture's Rural Housing Services. Community opposition to housing specifically for farmworkers, particularly seasonal housing for migrant farmworkers, impeded the City's ability to move forward with a project targeted solely to farmworker families. However, the City has assisted in the development of over 250 units of very low-income housing since 1990, which has provided year-round, affordable housing for very low-income families, including farmworkers who are permanent residents of the area. Given the declining need for seasonal workers in the local agricultural industry, Morgan Hill does not believe that it should continue to attempt to supply such housing. The City will continue, however, to assist in the construction of new year-round housing for special needs populations such as very low-income farmworkers.

**Action:**

3e-1: Provide a Single Room Occupancy (SRO) facility for single persons

**Achievements:**

The Agency assisted South County Housing in the development of a mixed-use project (Skeels Building), which has ground-floor commercial uses and 13 studios on the second floor for very low-income persons. The Agency has determined that this project was successful in expanding the housing supply for individuals with very low incomes, and will continue to work with South County Housing to identify future opportunities for additional SRO units.

**Actions:**

3f-1: Continue to use CDBG and other available funds to support the provision of housing-related services for groups with special needs

3f-2: Continue to support agencies providing emergency shelter for homeless individuals and families in South County.

3f-3: Continue to participate in the Santa Clara County Homeless Coordinators group to coordinate actions to provide assistance and support to local groups assisting the homeless.

3f-4: Continue to provide assistance and recommendations to the County Intergovernmental Council Committee on Homelessness, or its successor.

3f-5: Permit emergency shelters and transitional housing as a conditional use in the R-3 zoning district.

**Achievements:**

The City has allocated over \$300,000 in CDBG funds since 1988 for housing and housing related services, such as tenant-landlord counseling, shelter for women and their children escaping domestic violence, emergency shelter for other homeless individuals and families, and shared housing, among other services.

The City has annually allocated a share of the City's CDBG funding to the Emergency Housing Consortium, which has provided over 100,000 shelter nights since 1990 to Morgan Hill residents at the San Martin Family Living Center, Ochoa Winter Shelter, National Guard Armory, and other shelters in the County. The City also provided CDBG

funds to rehabilitate the San Martin Family Housing Center, an emergency shelter facility outside the City that is available to Morgan Hill residents.

The City continues to participate in the Santa Clara County Homeless Coordinators and the County Intergovernmental Committee on Homelessness by participating in meetings of the consortium and the development of programs and services.

The City has not amended its Zoning Ordinance to specifically permit emergency shelters and transitional housing in the R-3 zone. This action was not taken because neither the City nor the primary homeless service provider in the area (Emergency Housing Consortium) believed a homeless shelter was necessary within the City of Morgan Hill to accommodate local homeless needs. The Redevelopment Agency provided financial assistance for the development of a transitional housing facility (the Depot Commons) despite the lack of specific listing in the Zoning Ordinance for such a use.

Because there may be a need in the future for emergency shelter and/or another transitional housing facility, the City will amend the Zoning Ordinance to facilitate the location of emergency shelter or transitional housing.

**Action:**

3g-1: Assist in marketing shared housing programs by distributing flyers and providing messages on local access television to advertise the program

**Achievements:**

The Agency assisted SCH with the development of Depot Commons, which consists of shared rental housing consisting of three single-family homes that can accommodate up to four households, a maximum of 12 people. This project is intended to serve as a transitional facility, not permanent housing for the occupants. Table 2 contains a summary of affordable housing units produced annually by income group. These include units assisted by the Redevelopment Agency and those produced under the RDCS without Agency assistance.

**Table 2**

## Summary of Affordable Unit Produced (1988 –1998)

Year	Very Low	Lower	Median	Moderate	Total
1998	48	68	0	0	116
1997	1	18	8	0	27
1996	45	56	12	0	113
1995	0	6	3	0	9
1994	3	30	28	0	61
1993	0	5	14	0	19
1992	26	47	6	4	83
1991	0	3	4	1	8
1990	0	13	6	3	22
1989	20	1	5	0	26
1988	10	10	0	15	35
<b>Total</b>	<b>153</b>	<b>257</b>	<b>86</b>	<b>23</b>	<b>519</b>

Note: includes the affordable rental and homeownership housing units that were deed-restricted and produced by private and non-profit enterprises between 1988 -1998. The figures were not adjusted to reflect the expiration of affordability requirements on units produced during the report's 10-year period.

Source: City of Morgan Hill



## Housing Goals, Policies and Actions

### Goal 1. Adequate new housing to meet future community housing needs

**Policy 1a:** Ensure that an adequate amount of land is available for new residential development.

**Actions:**

1a-1: Maintain an adequate supply of vacant land zoned for a range of residential densities.

1a-2: Evaluate annually the amount of land available for development and the projected five-year need and adjust the General Plan and zoning as necessary to accommodate the City's ABAG-assigned regional housing allocation.

1a-3: Give high priority in the annual Capital Improvement Program to providing adequate public facilities to residentially zoned land needed to accommodate the City's ABAG-assigned regional housing allocation.

1a-4: Propose an amendment of the City's Residential Development Control System (RDCS) to allow the City to approve a sufficient number of housing unit allocations with the objective of meeting the City's ABAG-assigned regional allocation for each income group.

**Responsibility:** Morgan Hill Community Development Department

**Timeframes:** Actions 1a-1 through 1a-3: Annual review of availability of vacant land and five-year review and updating of housing element. General Plan and zoning changes to be presented to the City Council as needed.

Action 1a-4: Submit proposed amendment of RCDS to voters at the 2004 local election. If approved, implement revised allocation system as soon as permitted by the terms of the amendment.

**Achievement:** The voters approved amendments to the RDCS on March 2, 2004. The City then revised the allotment numbers which meet and exceed the ABAG-assigned regional allocation.

**Funding:** General Plan Update Fund

**Policy 1b:** Provide an adequate supply of land for multifamily housing located convenient to shopping, services, and transportation routes.

**Actions:**

1b-1: Maintain an adequate supply of multifamily zoned (R-3 and R-4) land for multifamily use to accommodate the City's ABAG-assigned regional housing allocation for lower-income households.

- 1b-2 Continue to pursue opportunities for land banking for future affordable housing development in areas zoned for multifamily or commercial that permit mixed projects, either through acquisition of suitable sites by the Redevelopment Agency or by assisting a non-profit housing developer in acquiring land for future development.

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds, CDBG, private foundation sources.

**Policy 1 c:** Encourage the allocation of the maximum possible number of housing units under RDCS allocations.

**Action:**

- 1c-1: Annually evaluate the outcome of allocation process to determine if further adjustments to the system are advisable to ensure that the annual allocations are maximized for both market-rate and affordable housing.

Responsibility: Community Development Department.

Timeframe: Current and ongoing. Biennially evaluate outcomes with respect to total units, affordable unit, units allocated to small-scale projects.

Funding: Community Development Fund.

**Policy 1d:** Encourage a variety of housing types and densities within the community.

**Actions:**

- 1d-1 Continue to ensure that an average 20 percent of all new housing allocations are designated for multifamily units.
- 1d-2 Ensure that a minimum of 30 percent of new multifamily units are rentals.
- 1d-3 Establish annual objectives under the RDCS allocation process for affordable housing based on past production and future needs.
- 1d-4 Avoid rezoning residential land for other uses and for lesser residential densities than shown on the General Plan.
- 1d-5 Require development of property designated as multi-family to occur at a density no less than the minimum density prescribed by the General Plan.

Responsibility: Community Development Department.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

**Policy 1e:** Provide for a variety of single family lot sizes.

**Action:**

- 1e-1: Revise the Residential Planned Development Provisions of the Zoning Ordinance (Chapter 18.18) that permit a variety of lot sizes for single-family homes for consistency with Community Development Element Actions 7.1 and 7.2 that establish targets for the percentage of small-lot single-family detached homes in the Multi-Family Low designation.

Responsibility: Community Development Department.

Timeframe: Amend Chapter 18.18 by December 2002.

Achievement: The Zoning Ordinance was amended in 2003 to allow single family detached housing on smaller lot sizes in Multi-Family zoning districts.

Funding: Community Development Fund.

**Policy 1f:** Increase housing ownership in Morgan Hill through targeted assistance programs.

**Actions:**

- 1f-1: Develop a first-time homebuyer assistance program targeted to low- and moderate-income workers such as teachers and public safety employees.

- 1f-2: Assist in the development of small-lot, single-family detached homes incorporated into developments in the Multi-Family Low designation with housing prices affordable to low-, median-, and moderate-income households.

Responsibility: Community Development Department, Business Assistance and Housing Services Department.

Timeframe: Adopt first-time homebuyer program guidelines by December 2002.  
Provide orientation prior to annual RDCS competition (October 2002).

Achievement: Ten-unit teacher housing project completed in 2006.

Down payment assistance program for police officers implemented in 2002.

Amendments made in 2003 to allow 25 percent of the homes in multi-family districts to be detached.

Funding: Community Development Fund, redevelopment housing Set-Aside funds, HOME Program, Mortgage Revenue Bonds, Mortgage Credit Certificates.

**Policy 1g:** Promote and encourage provision of housing within new market rate development that is affordable to very low-, low-, median and moderate-income households.



**Actions:**

- 1g-1: Require that an appropriate percentage of all new market rate housing be affordable to lower-, median-, and moderate-income households.
- 1g-2: Continue to provide density bonuses and other incentives consistent with State law and local regulations for those projects committing to provide appropriate amounts of below market rate units. Other incentives may include:
- Exceptions to design and development standards on a case-by-case basis that reduce the cost of producing housing units without sacrificing the objectives for which these standards were adopted;
  - payment of fees from Redevelopment Agency tax increment housing Set-Aside funds;
  - priority permit processing to ensure that project funding is not jeopardized;
  - assistance in accessing funding by applying to, or supporting applications to, state, federal, and private agencies.

Responsibility: Community Development Department, Housing Division.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

**Policy 1h:** Provide incentives through the RDCS to BMR and other affordable projects that provide a high percentage of affordable units.

**Actions:**

- 1h-1: Retain provisions within the RDCS that award points for developments that reserve a percentage of the proposed housing for below-market-rate units.<sup>1</sup>
- 1h-2: Allow small projects (fewer than 16 units) to pay “in lieu” fees when it is not feasible to provide affordable housing on site.<sup>2</sup>

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*1 The RDCS offers incentives to promote the construction of below-market rate housing, both for purchase and for rent. In the competition for housing allotments, projects score higher if they reserve some of the proposed units at below-market-rates - This is the City's most significant method for providing housing for low and moderate income households. The program has been supported by the City Council and Planning Commission and accepted by the development community. It is expected to remain the primary vehicle for the production of new below-market-rate units during the five-year planning period.*

*2 Many communities that require low- and moderate-income housing assistance as conditions of development, allow developers to pay in lieu fees as an option to providing BMR housing. The money is then used by the City or its designate to create housing affordable to very low-, low-, and moderate-income households. Allowing in lieu fees provides developers of small projects a more financially viable alternative to constructing affordable units.. However, in lieu fees sometimes make it more difficult to provide and integrate low- and moderate-income units into the rest of the community because a suitable site must be acquired and the affordable units are concentrated on that site.*

Responsibility: Community Development Department, Housing Division.

Timeframe: Current and ongoing.

Funding: Community Development Fund, redevelopment housing Set-Aside funds.

**Policy 1i:** Reserve a portion of the annual RDCS housing allocations for projects with 100 percent affordable housing.

**Actions:**

- li-1: Continue to reserve a minimum of 20 percent of the annual RDCS building allotments for projects that are 100% affordable considering annual needs at each income group.
- li-2: Continue to use RDA Housing Set-Aside funds for financing 100 percent affordable projects, and consider assistance to below-market-rate ownership housing where a financing gap can be demonstrated.
- li-3: Continue to assist market rate and non-profit developers in developing affordable rental housing. (See Policy 1g-3 for potential incentives.)
- li-4: Work with a non-profit housing agency to acquire older, substandard market rate rental units for conversion to a mix of market rate and affordable units.

Responsibility: Community Development Department, Housing Division.

Timeframe: Actions li-1 through li-3, current and ongoing (2001 – 2006)

Action li-4: Inventory rental housing stock to identify potential properties for acquisition and conversion to affordable housing. Complete a rental inventory by December 2002 and update every two years thereafter.

Meet with interested non-profit and/or for-profit housing developers semi-annually or more frequently as appropriate to determine interest in the acquisition of existing rental housing or the development of affordable housing on remnant parcels.

**Achievement:** Inventory conducted. In conjunction with South County Housing, an existing sub-standard rental property was acquired and is currently being redeveloped with 12 for-sale townhouses for low to moderate income persons and 55 rental units for very low and low income persons.

**Funding:** General Fund and Redevelopment Housing Set-Aside funds.

**Policy 1j:** Encourage the production of multifamily units appropriate for larger households.

**Actions:**

- lj-1 Ensure that new affordable BMR rental units assisted with RDA funds provide a specified percentage of three- and four-bedroom units.

- 1j-2: Ensure that new BMR ownership units continue to offer a significant percentage of three- and four-bedroom units in consideration of the proportion of large, low-income families in relation to the population as a whole.<sup>3</sup>

Responsibility: Community Development Department, Housing Division.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

Achievement: Section 18.78.270 3 of the RDCS was amended in 2005 to award additional points to multi-family projects that propose units with three or more bedrooms.

**Policy 1k:** Permit manufactured housing on permanent foundations in residential areas.

**Action:**

- 1k-1: Retain provisions in the Zoning Ordinance that permit manufactured housing on single-family lots by right in residential zoning districts so long as the manufactured homes are placed on permanent foundations and meet all other City requirements.

Responsibility: Community Development Department, Housing Division.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

**Policy 1l:** Encourage mobile home parks to develop in appropriate areas of the community in order to provide additional forms of affordable housing.

**Actions:**

- 1l-1: Continue to allow mobile home parks as conditional uses in the R-2 zone and manufactured home subdivisions within single-family residential zones as permitted uses.
- 1l-2: Provide incentives for the development of new mobilehome parks and manufactured home subdivisions (See Action 1-g2 for listing of potential incentives).
- 1l-3: Conduct an inventory of sites zoned Multi-Family (Low) density to identify potentially suitable locations for new mobilehome parks and manufactured home subdivisions. Provide this information to potentially interested developers.
- 1l-4: Identify one or more non-profit or for-profit entities that specialize in the development of mobilehome park or manufactured home subdivisions. Provide information on inventory of suitable sites to identified entities (Action 1i-3) and on the City's regulatory and financial incentives programs for affordable housing.

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*3 Under the Morgan Hill BMR program, over 80 percent of housing units for sale are three- or four bedroom units suitable for large families.*



Responsibility: Community Development Department, Housing Division.

Timeframe: Complete site inventory (Action 11-3) by December 2002. Contact potentially interested developers as appropriate thereafter.

Funding: Community Development Fund, redevelopment housing Set-Aside funds.

**Policy 1m:** Provide for a mix of residential and commercial development Downtown.

**Actions:**

1m-1: Retain the Central Commercial Residential (CC-R) zoning classification around the downtown core.

1m-2: Continue to work with nonprofit housing developers to identify appropriate sites through regular contacts with such organizations and maintenance of a site inventory for the benefit of nonprofits.

Responsibility: Community Development Department.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

**Policy 1n:** Encourage new residential development in appropriate commercial areas.

**Action:**

1n-1: Continue to maintain the mixed residential and commercial uses classification on sites previously identified.

Responsibility: Community Development Department.

Timeframe: Current and ongoing.

Funding: Community Development Fund.

**Policy 1o:** Encourage development of second dwelling units on appropriate single-family lots.

**Action:**

1o-1: Investigate the appropriateness of encouraging second units in R-2 zones through modifications to the R-2 zoning standards.

Responsibility: Community Development Department.

Timeframe: Review current zoning standards by September 2002 and make modifications (if determined appropriate) by December 2002.

Achievement: Second units allowed in R-2 and R-3 districts. No changes required.

Funding: Community Development Fund, redevelopment Set-Aside funds.

**Policy 1p:** Participate in programs that assist very low- and low-income households to secure adequate housing.

**Actions:**

- 1p-1: Continue the Mortgage Credit Certificate program in conjunction with the County.<sup>4</sup>
- 1p-2: Require relocation assistance when private redevelopment displaces very low-, low-, or moderate-income residents.
- 1p-3: Encourage landlords to utilize rental assistance programs, such as housing vouchers and Section 8 vouchers administered by the Housing Authority of Santa Clara County.<sup>5</sup> The City will undertake the following actions:
  - 1. Refer rental property owners to the Santa Clara County's Housing Authority's waiting list.
  - 2. When in contact with rental property owners, the staff will inform them of the Housing Authority's vouchers program.
  - 3. Promote the availability of vouchers for use in the rental rehabilitation program.
- 1p-4: The City will evaluate as part of its comprehensive housing strategy a first- and last-month's rent and security deposit program for eligible renter households.

Responsibility: Housing Division.

Timeframe: 1p-1 through 1p-3: current and ongoing. 1p-4: by December 2002.

Achievement: First and last month's rent program evaluated and not identified as a high priority in 2003 Affordable Housing Strategy. This form of assistance is provided by other agencies serving Morgan Hill.

Funding: Redevelopment Housing Set-Aside funds, various state and federal funds.

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*4 Mortgage Credit Certificates (MCCs) are aimed at assisting the first-time home-buyer. The MCCs allow qualified low or moderate income households to claim a tax credit on their Federal income tax up to 15 percent of their annual mortgage interest. This helps them (1) to qualify for a larger mortgage, and (2) to reduce their monthly outlay for housing. For recipients, the MCC often means the difference between being able and not being able to buy a home. The City has participated in the MCC program since 1990 and expects to continue to do so in the future as long as the program is continued by the County.*

*5 HUD's Section 8 rental assistance program issues a limited number of vouchers to local housing authorities to make up the difference between one-third of an eligible household's income and rental payments up to a set price. Participation in the program by property owners and landlords is voluntary. The City will continue to encourage local property managers and owners to participate in the program. City-assisted projects have participated in the Section 8 rental assistance program, when available in the past, and are expected to continue to do so.*

**Policy 1 q:** Leverage housing assistance funds wherever possible by combining them with funds from State, federal and other sources

**Actions:**

- 1q-1: Use RDA "20 percent" Housing Set-Aside funds for new affordable housing projects that cover a significant portion of project costs from other funding sources.
- 1q-2: Continue to work with local legislators and provide input to the State Legislature to ensure that State programs and legislation meet local housing needs and support local housing programs.
- 1q-3: Update, as needed, directories of state and federal housing and community development programs that provide financial assistance. Annually identify state and federal programs that are most applicable to Morgan Hill and have the greatest potential for funding affordable housing in the City.

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds, various state and federal funding programs (specific programs to be identified annually).

**Policy 1 r:** Provide housing assistance funds in the form of loans wherever possible so that the funds will eventually return to the City for future use

**Actions:**

- 1r-1: Provide home improvement loans through the City's Housing Rehabilitation program to very low-, low-, median-, and moderate-income homeowners.
- 1r-2: Provide financial assistance for substantial housing rehabilitation to rental property owners with very low- or low-income tenants in exchange for long-term affordability (as required by the funding source).

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds, various state and federal funding programs (specific programs to be identified annually).

**Policy 1s:** Monitor housing development and housing needs annually to ensure that goals and quantified objectives are being met.

**Actions:**

- 1s-1: Conduct a major review of housing demand by income and family size using 2000 Census data when that data becomes available in 2002.
- 1s-2: Review housing objectives annually and recommend program modifications if annual housing objectives are not being met.



Responsibility: Community Development Department, Housing Division.

Timeframe: Annual review to be conducted each year prior to the annual competition for housing unit allocations under RDCS. Major review of housing demand to be conducted in Fall of 2002, provided 2000 Census data on income is available by September 2002.

Achievement: Housing objectives are evaluated prior to the commencement of each RDCS competition and criteria are modified, as necessary, to better achieve those objectives.

Funding: General Plan Fund...

**Policy 1t:** Require all below-market-rate units to be restricted to use as affordable housing for the longest period of time possible, but in no case less than 45 years.

**Action:**

1t-1: Continue to require the recordation of deed restrictions for all affordable units

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds.

**Policy lu:** Preserve as many at-risk below-market-rate ownership and rental units as possible.

**Actions:**

lu-1. Continue to extend the affordability restrictions as part of the next sale to eligible purchasers and, if necessary, exercise the City's right of first refusal to purchase BMR units to ensure they remain affordable.

lu-2. Annually monitor the status of at-risk assisted rental housing units. Contact current property owners of at-risk projects to determine their financial objectives and appropriate financial assistance needed to meet those objectives (rehabilitation assistance, operating subsidies, additional Section 8 vouchers, etc.).

lu-3. Assist nonprofit housing organizations in acquiring and/or rehabilitating existing affordable rental housing through the provision of financial assistance in exchange for extending the affordability period as required by the applicable funding source.

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds, CDBG, HOME Program, other state and federal funds targeted for acquisition and/or rehabilitation of at-risk affordable rental housing.

**Policy Iv:** Regulate the amount and timing of condominium conversions

**Actions:**

lv-1: Continue the City's program to restrict conversion of rental units to condominiums if the rental vacancy rate is less than five percent.<sup>6</sup>

lv-2: Conduct a semi-annual survey of rental housing vacancies to determine the applicable vacancy rate for implementing the condominium conversion ordinance.

Responsibility: Community Development Department, Housing Division

Timeframe: Current and ongoing, semi-annual rental vacancy survey.

Funding: Community Development Fund.

**Policy 1w:** Work to eliminate discrimination in housing based on race, color, religion, sex, age, family size, marital status or national origin.

**Actions:**

1w-1: Refer discrimination complaints to Project Sentinel or other organizations that combat housing discrimination.<sup>7</sup>

1w-2: Allocate CDBG and other funds annually to support Project Sentinel or other organizations which promote fair housing programs.

1w-3: Maintain an equitable buyer-selection procedure through a waiting list process for low-, median-, and moderate-income units.

1w-4: Continue to publicize and broaden understanding and acceptance of City housing programs including the discrimination complaints procedure, through public presentations, publications, news items, advertisements in the Morgan Hill Times and Gilroy Dispatch, public service announcements on the City's local access television channel, and by posting flyers at City Hall, City parks, and at various local churches on a continuing bases.

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds.

**Policy lx:** Integrate below-market-rate and other affordable "Set-Aside" units into existing or proposed developments

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*6 Morgan Hill has a condominium conversion ordinance that limits condominium conversions to no more than five percent of all rental units annually and to times when the rental vacancy rate is five percent or greater.*

*7 Federal and State civil rights and fair housing laws guarantee the right of citizens to purchase or rent housing without discrimination. State law requires local governments to adopt programs to promote housing opportunities for all. Project Sentinel has been funded in past years by the City using CDBG funds.*

**Action:**

- 1x-1: Retain provisions within the RDCS that give higher ratings to projects that create neighborhoods and residential developments of ethnic and economic diversity.

Responsibility: Community Development Department

Timeframe: Current and ongoing.

Funding: Community Development Fund

- Policy 1y:** Recognize the special siting and design needs of manufactured housing and mobile home developments through appropriate standards and development requirements.

**Action:**

- 1y-1: Continue to implement zoning standards for mobile home parks and manufactured housing developments consistent with State Law to permit these housing options in residential areas of the City. The City will continue to permit manufactured housing on single-family lots subject to the same development standards as site-built homes, and mobilehome parks in the Mulit-Family (Low) density zone. (See Policy 2c for proposed incentives related to mobilehome parks.)

Responsibility: Community Development Department

Timeframe: Current and ongoing.

Funding: Community Development Fund

- Policy 1z:** Promote energy conservation techniques and energy efficiency in all new residential development.

**Action:**

- 1z-1: Retain RDCS incentives for energy conserving building techniques for residential construction by providing additional points in the allocation process for developments that include energy conservation components in excess of minimum state building standards requirements.

Responsibility: Community Development Department

Timeframe: Current and ongoing.

Funding: Community Development Fund



## Goal 2. Preservation of the existing housing supply

**Policy 2a:** Maintain and conserve the City's existing housing stock.

**Actions:**

- 2a-1: Continue the City's Home Improvement Loan Program which provides rehabilitation assistance using both RDA housing Set-Aside and/or CDBG funds.<sup>8</sup>
- 2a-2: Continue City's code enforcement programs with emphasis on rental units, assistance in maintaining affordability, and non-displacement of existing tenants.<sup>9</sup>
- 2a-3: Review the CC-R zoning provisions and design requirements to ensure they are appropriate and flexible in order to facilitate the rehabilitation and retention of existing residential development.
- 2a-4: Ensure that all housing units rehabilitated with City assistance are energy efficient.
- 2a-5: Continue to provide funding for mobilehome repair and senior home repair programs and neighborhood clean-up and paint grant programs.

Responsibility: Community Development Department, Housing Division

Timeframe: Current and ongoing. Review the application of CC-R zoning provisions in FY 06-07.

Funding: Community Development Fund, redevelopment housing Set-Aside funds.

**Policy 2b:** Promote and encourage the preservation of existing residential neighborhoods.

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*8 Rehabilitation programs assist owners in refurbishing and improving existing properties, and help keep older housing units in use or on the market. Normally this assistance is targeted for lower income homeowners and for units that are affordable for rent to lower income persons. It is generally cheaper to assist in rehabilitating a unit than to build a new one. Assistance usually takes the form of a loan which is eventually repaid. The funds can then be used again. In Morgan Hill, which has a relatively new housing stock, only a few units need rehabilitation. The City is using RDA Set-Aside funds for acquisition and/or rehabilitation.*

*9 Cities have the authority to require property owners to correct violations of City codes. This includes plumbing residential, electrical and fire and safety codes. Older areas are frequently targeted for a coordinated code enforcement program. Residential code enforcement programs need to be handled carefully, however. Lower-income property owners often cannot afford to make necessary improvements, and landlords raise rents to cover the cost of code improvements, making rentals less affordable. To preclude such problems, code enforcement programs can be combined with rehabilitation programs to provide low-cost loans and other assistance. The City also requires relocation assistance when older housing must be demolished.*

**Actions:**

- 2b-1: Coordinate the planning and funding of neighborhood infrastructure improvements by integrating the Capital Improvement Program with the annual Redevelopment Agency programs.<sup>10</sup>
- 2b-2: Support neighborhood code enforcement programs with low cost loans and technical assistance to homeowners. (See Policy 2a regarding City programs for housing rehabilitation, code enforcement, and neighborhood improvement).
- 2b-3: Continue public information efforts to encourage property owners in target neighborhoods to participate in the rehabilitation loan program.<sup>11</sup>
- 2b-4: Utilizing the Rehabilitation Loan program, continue to assist the expansion of existing units to alleviate overcrowding.<sup>12</sup>
- 2b-5: Continue to work with nonprofit housing organizations to identify and acquiring dilapidated or substantially substandard housing units for the purpose of rehabilitating or replacing these housing units.

Responsibility: Housing Division.

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds, CDBG funds, HOME Program funds, other state and federal programs providing funding for housing rehabilitation.

**Policy 2c:** Preserve and protect existing mobile home parks.

**Actions:**

- 2c-1: Maintain the City's rent stabilization ordinance for mobile home parks.<sup>13</sup>
- 2c-2: Continue the City's program to provide rehabilitation loans to upgrade older mobile homes.
- 2c-3: Contact a nonprofit to work with resident groups to explore the purchase of existing mobile home parks, including providing funding for feasibility studies, assisting in accessing state and federal programs (such as the California Home

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*10 The City will compare the Capital Improvement Program to the Redevelopment Implementation Plan to assure consistency and coordination among implementing actions.*

*11 Public information efforts will include distribution of flyers in public places, to community organizations serving special groups, posting of information on the City's web-site, presentations at community events, and press releases to the media.*

*12 The City will implement this action by continuing to permit the addition of bedrooms and other expansions as an eligible rehabilitation activity to alleviate overcrowding.*

*13 Mobile home parks often are important sources of low- and moderate-cost housing. (Mobile homes make up 11 percent of Morgan Hill's housing stock.) Seniors on limited incomes frequently occupy mobilehomes. Morgan Hill has enacted rent control protection to ensure affordability of mobile home spaces.*

Park Purchase Program), and using redevelopment Housing Set-Aside funding as gap funding.

Responsibility: Housing Division

Timeframe: December 2002.

Achievement: Provided assistance for Millennium Housing to purchase the 166-space Hacienda Mobile Home Park. The purchase ensured 75 percent of the units will remain affordable to lower income households.

Funding: Redevelopment housing Set-Aside funds.

### **Goal 3. Adequate housing for groups with special needs**

**Policy 3a:** Provide incentives through the RDCS for the production of affordable housing for large families.

**Action:**

3a-1: Continue to implement RDCS criteria that provide additional points for the production of housing for large families in the "Housing Needs" and "Housing Types" sections of the criteria.

Responsibility: Community Development Department

Timeframe: Current and ongoing.

Funding: Community Development Fund

**Policy 3b:** Assist in providing affordable housing for single parents.

**Action:**

3b- 1: Continue to work with staff of the Shared Housing program and other non-profit organization to acquire or finance the construction of small rental complexes (duplexes, tri-plexes, four-plexes) to provide shared housing for single parents.<sup>14</sup>

Responsibility: Housing Division

Timeframe: Meet with Shared Housing Program representatives and representatives of other interested non-profit organizations to review available properties and financing options at the time such properties become available for acquisition

Funding: Redevelopment housing Set-Aside funds.

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*14 To implement this program, the City will assist the Shared Housing Program and other interested non-profit organizations to identify small rental complexes and assess the availability of such properties for acquisition. The Redevelopment Agency will consider using housing Set-Aside funds and/or assist in applying for state or federal funds for acquisition of one or more small rental complexes for shared housing.*



**Policy 3c:** Promote housing that is appropriate for and accessible to the disabled.

**Actions:**

- 3c-1: Continue to enforce State and federal requirements for accessibility to the disabled in new multi-family units.<sup>15</sup>
- 3c-2: Provide low interest rehabilitation loans to make existing residences accessible to the disabled
- 3c-3: Work with nonprofit organizations (Community Solutions and South County Housing are two examples of relationships the City and Agency have with nonprofits) to evaluate the need for additional multi-family units in Morgan Hill for mentally impaired homeless adults.
- 3c-4: Create a "Reasonable Accommodations" handout for staff, homeowners and developers to summarize and publicize that projections into required yards and/or setback reductions on residential properties can be approved by the Community Development Director to allow for reasonable accommodation for persons with disabilities.<sup>16</sup>
- 3c-5: Analyze and amend, as necessary, City codes to ensure they provide reasonable accommodation to persons with disabilities.

**Responsibility:** Community Development Department and Housing Division

**Timeframe:** 3c-3: Contact nonprofits during FY 06-07 to review the need for additional housing and available properties for acquisition and conversion should a need be identified.

3c-4: Create handout in FY 06-07.

3c-5: Analyze codes in FY 06-07 and amend, as necessary.

**Achievement:** Provided \$152,000 loan to Community Solutions to rehab existing transitional housing facility. Rehab to be completed in FY 06-07.

**Funding:** Community Development Fund, Redevelopment Housing Set-Aside funds, various regional, state, and federal funding sources.

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*15 State and federal laws require that five percent of multi-family units to be handicapped-accessible or adaptable. These requirements are enforced through the City's Building Division as part of normal building code enforcement. Federal provisions adopted during the 1990s have broadened the applicability of the standards.*

*16 Section 18.56.060 of the Municipal Code allows projections into setback areas for access ramps and similar accommodations, and Section 18.56.150 allows for Minor Exceptions to certain physical development standards in residential zoning districts. The projections are allowed by Code and the exceptions are approved by the Director using a streamlined administrative process involving notification of adjacent property owners.*

**Policy 3d:** Assist in providing housing for seniors**Action:**

- 3d-1: Explore the feasibility of a senior housing development by identifying suitable locations for such housing, financial requirements for a senior housing project, and an interested developer and operator.

Responsibility: Community Development Department, Housing Division

Timeframe: Complete feasibility study and identify potential developers by December 2002.

Achievement: Urban Housing Communities awarded 49 units for senior housing project to be constructed in FY 08-09. Gap financing with RDA being negotiated.

Funding: Community Development Fund, Redevelopment housing Set-Aside fund.

**Policy 3e:** Assist in providing housing related services to groups with special needs.**Actions:**

- 3e-1: Continue to use CDBG and other available funds to support the provision of housing-related services for groups with special needs such as the elderly, single women with children, and battered women.
- 3e-2: Continue to support agencies providing emergency shelter for homeless Morgan Hill residents.<sup>17</sup>
- 3e-3: Continue to participate in the Santa Clara County Homeless Coordinators group to coordinate actions to provide assistance and support to local groups assisting the homeless.
- 3e-4: Continue to participate in the County Intergovernmental Council Committee on Homelessness, or its successor to coordinate actions to provide assistance and support to local and regional homeless service providers. (See Action 3d-2 regarding types of support.).
- 3e-5: Amend the Zoning Ordinance to permit emergency shelters and transitional housing as a conditional use in the R-3 zoning district and in the Non-Retail Commercial land use areas, subject to the existing conditional use permit requirements of the Morgan Hill Zoning Ordinance. These conditional use

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*17 The Emergency Housing Consortium (EHC) provides emergency shelter for homeless families and individuals. They have a year-round shelter in San Martin and provide winter shelter at a migrant workers camp and the National Guard Armory. The City has provided CDBG and Charitable Contribution funds to EHC since 1986. The County Department of Social Services administers the Homeless Assistance Program which provides temporary shelter grants for up to 21 days per individual or family, and permanent housing assistance with grants to help defray some of the costs of moving into a rental unit.*

criteria relate to design, layout, traffic impacts, and adequacy of the site for the proposed conditional use.

Responsibility: Community Development Department, Housing Division

Timeframe: Actions 3e-1, 3e-2, 3e-3, and 3e-4, current and ongoing. Amend Zoning Ordinance (Action 3e-5) in FY 06-07.

Funding: Redevelopment housing Set-Aside funds, General Fund, CDBG.

**Policy 3f:** Promote home-sharing opportunities for the elderly and for single parents.

**Action:**

3f-1: Assist in marketing shared housing programs by distributing flyers and providing messages on local access television to advertise the program and solicit units available to be shared.<sup>18</sup>

Responsibility: Housing Division

Timeframe: Current and ongoing.

Funding: Redevelopment housing Set-Aside funds.

### Quantified Objectives (1999 – 2006)

	Very Low	Low	Moderate	Above Moderate
New Construction	297	228	615	1,186
Rehabilitation	30	45	N/A	N/A
Conservation	15	10	N/A	N/A

*Note: The City's new housing construction objective for very low-income households is less than the ABAG regional allocation of 455 dwelling units because the City does not believe there will be sufficient local, state, federal, or private subsidies to finance the construction of 455 very low-income units between 1999 and 2006.*

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<sup>18</sup> City has provided funding to such programs as the Shared Housing program and Project Match which provide services to a high percentage of single parent households and elderly, most of these having female heads.



## **Appendix A: Public Participation**

### **MEETING MINUTES and NOTICES**

October 29, 2001 City Council / Planning Commission Workshop

December 12, 2001 City Council / Planning Commission Workshop

June 27, 2006 Planning Commission Public Hearing

July 11, 2006 Planning Commission Public Hearing

July 19, 2006 City Council Public Hearing



**CITY OF MORGAN HILL  
SPECIAL CITY COUNCIL MEETING AND  
PLANNING COMMISSION MEETING  
MINUTES - OCTOBER 29, 2001**

**CALL TO ORDER**

Mayor Kennedy called the special meeting to order at 7:00 p.m.

**ROLL CALL ATTENDANCE**

**City Council**

Present: Council Members Carr, Chang, Sellers, Tate, and Mayor Kennedy

**Planning Commission**

Present: Commissioners Acevedo, Benich, Lyle, McMahon, Mueller, Sullivan, and Weston

**Housing Element Task Force Members:** Shanna Boigon, Jeff Perkins, and a representative of South County Housing.

**Staff present:** City Manager Tewes, City Attorney Leichter, City Clerk Torrez, Director of Business Assistance and Housing Services Toy, Director of Community Development Bischoff

**DECLARATION OF POSTING OF AGENDA**

City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

**SILENT INVOCATION**

**PLEDGE OF ALLEGIANCE**

At the invitation of Mayor Kennedy, City Clerk Torrez led the Pledge of Allegiance.

**WORKSHOP:**

**1) HOUSING ELEMENT WORKSHOP**

Director of Community Development Bischoff, introduced Jeff Goldman, Principal Planner of Parsons, Harland, Bartholomew and Associates, consultants for the Housing Element update. He reminded those present that this is the first of two meetings planned for the update, the next being scheduled for December 12. During this phase of the update, the Task Force is charged with looking at past achievements, where the City is now, and whether or not there is a need to pursue further gains for the present. He distributed materials to be referenced during the meeting.

Mr. Goldman presented the staff report in four components:



1) Review of State Requirements for Housing Element Update

This being the 2001 Housing Element Update, an overview of legislation dealing with the issues which are responsible for change since the last update were noted by summation.

The requirement for update(s) became law 20 years ago with a legislative decision that all residents of the State of California, regardless of income, are entitled to a safe, secure, properly constructed dwelling. It is mandated that every four years the Housing Element be updated, with input from local government and the general public.

2) Review of Housing Element Update Process

There are four requirements of the review:

- a) Identification and inventory of housing needs, with emphasis in specific categories (e.g., seniors, farm workers, single heads of household, etc.)
- b) Each City and County is to evaluate what has been done; assess whether to continue, modify, increase effectiveness, add or delete factors in the existing housing elements.
- c) Define the goals and policies of the programs anticipated
- d) Develop a five-year schedule of quantified objectives in the presence of existing affordable housing and project reasonable methods for meeting the goals set by governmental agencies.

3) Review of findings Regarding Current and Future Housing Needs

Advance a five-year schedule of quantifiable intentions in the presence of actual affordable housing, and calculate credible methods for addressing the goals set by governmental agencies.

4) Review of ABAG Fair Share Allocation and Projection of City Housing Production

With the assignment of arbitrary numbers of housing need projections for the City, the abilities of the Council and Commission to identify and quantify zoning areas for increased affordable housing is paramount.

Mr. Goldman provided an overview of the Housing Element (HE) update relating to the fact that the California Housing and Community Development Department (HCD) must review the HE before adoption by the City Council. Further, the local Council must consider the comments of HCD. HCD must include in the comments provided: the appropriateness of the current element, whether it retains validity, is in compliance, and is "on track" as a basis for the new HE. He cautioned that the report completed by HCD carries considerable weight in the judicial arena, although anyone can challenge the HE. In many cases, it is possible to use the HCD report to the advantage of the complaint; conversely, the City may use the report for benefit.

Mr. Goldman said that there are two separate issues dealing with future planning for HEs: 1) The *regulations* imposed by the Association of Bay area Governments (ABAG) on local entities in the form of projected housing needs, and 2) the *number* of housing units (to be incorporated into the plan for meeting 'identified' needs) assigned to each of the local entities - both Cities and Counties. He

stated that ABAG has said that since the City is not a builder per se, the only obligation is to show the method, e.g., zoning, for getting the allocations in place.

Because of fiscal constraints, there was a four-year hiatus to the legislation for HE updates, there was discussion regarding whether the current figures listed in the draft report presented might have been increased. The consultant indicated this to be unlikely as the numbers of housing units to be increased as assigned to each entity are totaled at the State level with assignment to regions. Mr. Goldman noted that ABAG has the obligation of figuring out how to allocate the numbers. ABAG's regulations cover a 7½ year period: January 1, 1999 to June 30, 2006, during which time the numbers of housing units projected as increase for each of the local governments affected must be addressed.

The timing of completion of the HE update was discussed. The issue was raised that there appears to be a need for urgency in delivery of the completed document. Mr. Goldman and Mr. Bischoff stated the importance of delivering a reliable draft document, both expressing the opinion that this will be accomplished. Such action will show a good faith effort and that it will most likely suffice for continuation of the effort without penalty.

As to ways to display efforts for having a HE which is in compliance with the required projected numbers of housing need with the restraints of Measure P, discussion ensued regarding:

- ▶ Mobile Home Parks
- ▶ Second (2<sup>nd</sup>) Unit Housing
- ▶ Density concerns
- ▶ The (continued) viability of Measure P
- ▶ The need to address significant differences of housing availability not explained by income
- ▶ How the City leaders can demonstrate reasonable accommodation (not construction) of increased density
- ▶ The perceived "gap" of housing available for moderate income level families  
The fact that the area-wide economy has no bearing on the accommodations as listed by ABAG
- ▶ The observed need to have an oscillation to Measure P, so that the City leaders can retain control while meeting the demands of the State and Regional governments
- ▶ The burden caused by the past need to use future allocations under Measure P to ensure orderly completeness of development
- ▶ The fact that City financing had been part of an effort to meet the local needs which might be turned to detriment in future housing need(s) planning
- ▶ Local building code requirements versus the ambiguity of State regulations
- ▶ Effect on the downtown area of the City in light of the numbers projected by ABAG, those numbers being set and unchangeable
- ▶ The hurdles involved in updating Measure P to reflect the needs presented by the issues applied by the HE update

Task Force members requested the consultant revisit a variety of issues: specified tables in the draft report, age groupings, a proposal for more innovative alternatives for low income housing, and methods for encouraging residents to remain in the community following retirement. Mr. Goldman

indicated willingness to do so.

Council Member Carr, who chairs the HE Update Task Force, thanked all who attended and urged creative thinking to provide input into the HE update, stating that it was important to think of alternatives to Measure P given to the City by the voters. He also reminded all present of the need to give attention to following the schedule for completion.

**FUTURE COUNCIL-INITIATED AGENDA ITEMS:**

No items were noted.

**ADJOURNMENT**

Adding his thanks to participants, Mayor Kennedy adjourned the meeting at 9:00 p.m.

**MINUTES RECORDED AND PREPARED BY:**

**/s/ Judi Johnson**  
**Judi Johnson, Minutes Clerk**



**CITY OF MORGAN HILL  
JOINT SPECIAL CITY COUNCIL, SPECIAL REDEVELOPMENT AGENCY,  
SPECIAL PLANNING COMMISSION AND  
SPECIAL HOUSING ELEMENT TASK FORCE MEETING  
MINUTES - DECEMBER 12, 2001**

**CALL TO ORDER**

Mayor/Chairperson Kennedy called the special meeting to order at 6:34 p.m.

**ROLL CALL ATTENDANCE**

City Council/Redevelopment Agency .

Present: Council/Agency Member Carr, Chang, Sellers, Tate and Mayor/Chairman Kennedy

Planning Commission

Present: Commissioners Acevedo, Benich, Lyle, McMahon, Mueller, Sullivan

Absent: Commissioner Weston

Housing Element Task Force

Present: Task Force Members Boignan, Carr, DeSilva, Mueller, Perkins, Schilling (who arrived at 7:19 p.m.)

Absent: Task Force Members Gerlach, Lalor, Weston

**DECLARATION OF POSTING OF AGENDA**

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

***City Council Action***

**CLOSED SESSIONS:**

City Attorney/Agency Counsel Leichter announced the below listed closed session items:

1.

**CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Significant Exposure/Initiation of Litigation

Authority: Government Code Section 54956.9(b) & (c)

Number of Potential Cases: 2

## **PLEDGE OF ALLEGIANCE**

At the invitation of Mayor/Chairman Kennedy, Planning Commission Chair Barbara Sullivan led the Pledge of Allegiance.

## **INTRODUCTIONS**

City Manager Tewes introduced newly hired Police Chief Jerry Galvin.

## **PUBLIC COMMENT**

Mayor/Chairman Kennedy opened the floor to comments for items not appearing on this evening's agenda. No comments were offered.

## ***City Council, Planning Commission and Housing Element Task Force Action***

### **WORKSHOP:**

#### **1. HOUSING ELEMENT WORKSHOP**

Community Development Director (CDD) Bischoff presented the staff report, reminding that the last meeting of the Housing Element Task Force with the City Council and Planning Commission had been in October. At that time, several issues of concern had been identified, with Staff and the Consultant being directed to look into those matters.

CDD Bischoff reported that the direction provided at that meeting had been seriously considered; furthermore, he indicated that because of the concerns raised and the issues associated with Measure P - the Growth Control ordinance established by voters in Morgan Hill - the City had initiated contact with representatives from Housing and Community Development (HCD) who subsequently visited the City for a tour of the potential areas for designation as possibly being zoned for development as required by the State.

Addressing the group, CDD Bischoff called attention to the Summary of Proposed Modifications/Morgan Hill Housing Element which presented a summary of significant modifications proposed to policies and programs in the current General Plan Housing Element. The modifications presented detailed the goals, policies, and actions which would be included in the Draft Housing Element submitted to HCD for their remarks and recommendations.

Members of the City Council, Planning Commission and Housing Element Task Force

discussed the items presented by CDD Bischoff and Jeff Goldman, Principal Planner of Parsons, Hartland, Bartholomew and Associates, making changes following the discussion and concerns raised by the presentation of Table 29 (a major focus) of the initial Draft General Plan Housing Element. As the members of the group continued talk regarding the needs indicated by HCD, Planning Commissioner Lyle was prominent in presenting the number of actual buildings and projections for upcoming allocations as authorized under Measure P. Several sets of scenarios were presented with questions being answered by CDD Bischoff and Mr. Goldman. It was repeatedly mentioned that the numbers of housing unit allocations in the City's ABAG-assigned regional allocation for each income group is difficult to achieve. Mr. Goldman reminded that state law is clear: Each jurisdiction must be able to show the ability to reach the levels mandated in each category.

Considerable discussion emanated regarding the need to have Measure P revisited by the voters of the City.

Director of Business Assistance and Housing Services Toy provided information on the history of publically-funded housing since 1990 to the present. It was highly suggested that if possible, Mr. Toy present the information, as vividly as he had done during this meeting, to HCD officials.

At the invitation of Mayor Kennedy, Anne Crealock, 1922 The Alameda, San Jose, who was in attendance to represent the Greenbelt Alliance, addressed the group. She presented a letter to the members present from Janet Stone, Livable Communities Program Director. Ms. Crealock complimented the group on the many positive comments indicated in the Housing Element, expressing the need for farm worker housing within the City to be given a priority.

Mr. Goldman again stressed the need for clear, definite, positive language in the document to be submitted to HCD. The points indicated in the Summary of Proposed Modifications/Morgan Hill Housing Element were reiterated and **agreed by consensus as to the wording of the various goals, policies, and actions discussed and agreed to during the course of the meeting.** CDD Bischoff noted that the Housing element must be submitted to HCD by January 1, 2002. He and Mr. Goldman were charged with amending the language as the group had agreed before the submittal is completed.

#### **ADJOURNMENT (PLANNING COMMISSION AND HOUSING TASK FORCE)**

The joint meeting of the City Council, Planning Commission and Housing Task Force was concluded at 9:20 p.m. with adjournment, while comments by Planning Commission Chair Sullivan, Mayor Kennedy, and Housing Element Task Force Chair indicated that the stated actions of the meeting had been accomplished:



- 1) To review and evaluate the effectiveness of the City's existing housing programs in meeting the goals, policies, and quantified objectives of the City's current housing element;
- 2) To review proposed modifications to the current goals, policies and quantified objectives of the housing element so as to better address the City's future housing needs; and
- 3) To reach consensus regarding necessary modifications to the proposed goals, policies and actions for the draft element.

## ***City Council and Redevelopment Agency Action***

### **OTHER BUSINESS:**

#### **2. SELECTION OF CITY COUNCIL MAYOR PRO TEMPORE AND REDEVELOPMENT AGENCY VICE-CHAIR**

Council Services and Records Manager Torrez presented the staff report.

Council Member Sellers said that, having thought through the process, he was of the opinion that there was a need to determine who should run the meetings. Therefore, it was his belief that the Mayor Pro Tempore and the Vice-Chair of the RDA should be the same person. Discussion followed regarding the merits of this suggestion.

#### ***City Council***

**Action:** Council Member Tate/Mayor Pro Tempore Sellers **Nominated** Council Member Carr to serve as the next Mayor Pro Tempore to the City Council.

**Action:** On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council unanimously (5-0) **Confirmed** the Mayor's appointment of Council Member Carr to serve as the next Mayor Pro Tempore to the City Council.

#### ***Redevelopment Agency:***

**Action:** Agency Member Tate/Mayor Kennedy **Nominated** Agency Member Chang to serve as the next Vice-chair to the Redevelopment Agency.

**Action:** On a motion by Agency Member Tate and seconded by Chairman Kennedy, the Agency Commission unanimously (5-0) **Confirmed** the Chairman's



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## **PLANNING COMMISSION MEETING MINUTES**

### **REGULAR MEETING**

**JUNE 27, 2006**

**PRESENT:** Acevedo, Koepp-Baker, Benich, Davenport, Escobar, Mueller

**ABSENT:** Lyle

**LATE:** None

**STAFF:** Community Development Director (CDD) Molloy Previsich, Planning Manager (PM) Rowe, Senior Planner (SP) Marlatt, Business Assistance and Housing Services Director (BAHSD) Toy, Senior Civil Engineer (SCE) Creer, Contract Planner (CP) Bischoff and Minutes Clerk Balagso.

Chair Benich called the meeting to order at 7:03 p.m.

### **DECLARATION OF POSTING OF AGENDA**

Minutes Clerk Balagso certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

### **OPPORTUNITY FOR PUBLIC COMMENT**

With no members of the audience indicating a wish to address matters not on the agenda, the time for public comment was closed.

### **PUBLIC HEARING:**

- 1) ZA-06-10: CITY OF M.H.-TEXT AMENDMENT TO CHAPTER 18.47, AFFORDABLE HOUSING BONUSES AND OTHER INCENTIVES, AND CHAPTER 18.55, SECONDARY DWELLING UNITS**
- An amendment to Title 18, Chapter 18.47 of the Morgan Hill Municipal Code, amending the Density Bonus provisions for affordable housing to be consistent with the State Density Bonus Law as set forth in Section 65915 of the California Government Code. A further amendment is also proposed under Chapter 18.55 of the Municipal Code, eliminating the Conditional Use Permit requirement and eliminating the local street standards for secondary dwelling units.
- PM Rowe stated that the item was advertised for public hearing for this meeting, however the report was not ready at the time of distribution of the meeting packet. He added that the amendments are related to the Housing Element, which will be on the July 11 meeting agenda.

FEES, ESCOBAR; ABSTAIN; NONE; ABSENT: LYLE.

COMMISSIONER MUELLER OFFERED A RESOLUTION APPROVING ADOPTION OF AN ADDENDUM OF THE PREVIOUSLY CERTIFIED ENVIRONMENTAL IMPACT REPORT (EIR). COMMISSIONER DAVENPORT SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTES: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, MUELLER; NOES: ESCOBAR; ABSTAIN; NONE; ABSENT: LYLE.

**4) PUBLIC HEARING  
REGARDING  
ADOPTION OF  
HOUSING ELEMENT  
UPDATE**

This is a City-initiated request to adopt a new Housing Element of the General Plan. The proposed Element represents a comprehensive statement of the City's current and future housing needs and proposed actions to facilitate the provision of housing to meet the needs of all income levels. The Element has been prepared in such a way as to meet the requirements of State law and local housing objectives. A Negative Declaration, finding no significant negative effects on the environment as a result of adoption of the Element, is proposed to be adopted for this project.

CP Bischoff presented the staff report, noting that this is a City-initiated request to adopt an update to the Housing Element of the General Plan. The proposed Element represents a comprehensive statement of the City's current and future housing needs and proposed actions to facilitate the provision of housing to meet the needs of all income levels. The Element has been prepared in such a way as to meet the requirements of State law and local housing objectives. A Negative Declaration, finding no significant negative effects on the environment as a result of adoption of the Element, is proposed to be adopted for this project.

CP Bischoff indicated that the changes to the Element are two-fold: 1) changes in response to the State's comments in 2002; and 2) changes necessitated because of changes in the State housing law since the original Element was drafted.

Chair Benich noted that there is no action requested from the Commission this evening. The presentation was primarily to solicit comments and questions from the Commission and the public.

Commissioner Koepp-Baker asked about the tenor of communication from the State, and if the State commented on the City's density rates. CP Bischoff responded that Morgan Hill meets a policy recently adopted by the State that requires that a sufficient amount of land be zoned at 20 units per acre to accommodate affordable housing. The State has also asked for detailed information on the Measure C projects.

CP Bischoff added there are two areas that might be of concern to the State:

- 1) Amendment of the code to specifically identify transitional housing and homeless shelters as conditional uses in zoning districts
- 2) Housing for farm workers

Commissioner Acevedo stated he understands that the purpose of the Element is to address the housing needs of all income levels. The City is spending a significant amount of time on affordable housing. He asked if the State requires this focus on affordable housing. CP Bischoff responded that the market has provided a sufficient supply of housing affordable to persons with above moderate income levels. He presented Table



**PLANNING COMMISSION MEETING MINUTES**

**JUNE 27, 2006**

**PAGE 8**

27 in the staff report which outlines the State's requirements for very low, low and moderate level housing; noting the State had challenged the City to provide additional affordable housing for the period of 1999-2006. Therefore, the City's efforts have been concentrated in this area. The City has accomplished providing a surplus of affordable housing units. Commissioner Acevedo asked if the City actually had to build the units or just have the ability to build them. CP Bischoff responded that the State requires the City to have the ability to build the units.

Chair Benich asked if the requirement for affordable housing will cease in 20 years or so, because all the available land will be developed. CP Bischoff stated the requirements are based on analysis by ABAG which is focused on the availability of land. He added that if the land now available is built out in 20 years, ABAG will look at land that could be available for redevelopment.

Chair Benich then asked a question on the consistency of the data presented. For example, census data referred to in the Element is from 2002. CP Bischoff responded that the City should have an adopted and certified Element with data currently available. The Element will be updated again in two years as required.

Chair Benich suggested the Commission begin thinking about water conservation as called for on Page 14 of the Element for future development; especially the use of gray water. Commissioner Koepp-Baker added that the League of California Cities is recommending to that all developers build a dual pipe system to facilitate use of recycled water.

Commissioner Mueller asked if the State would give credit to the City's moderate rate non-deed restricted housing. CP Bischoff responded he would research that issue.

Commissioner Koepp-Baker asked BD Director Toy if there is a report on the goals and outcomes of funding provided to Community Solutions for rehabilitation of the transitional shelter for mentally disabled individuals and domestic violence shelter. BAHSD Toy responded that information is available in quarterly reports that he will provide to Commissioner Koepp-Baker.

Chair Benich opened and closed the public hearing, seeing there was no one in the audience indicating a wish to address this item.

**COMMISSIONER MUELLER OFFERED A MOTION TO CONTINUE THE ITEM TO THE JULY 11, 2006 COMMISSION MEETING. COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTES: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, MUELLER; NOES: NONE; ABSTAIN; NONE; ABSENT: LYLE.**

A request to discuss the possible cancellation of the second Planning Commission Meeting in August.

**COMMISSIONER MUELLER OFFERED A MOTION TO CANCEL THE SECOND PLANNING COMMISSION MEETING SCHEDULED FOR AUGUST 22, 2006. COMMISSIONER KOEPP-BAKER SECONDED THE MOTION,**

**5) SUMMER  
MEETING  
SCHEDULE**





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**PLANNING COMMISSION MEETING MINUTES**

**REGULAR MEETING**

**JULY 11, 2006**

PRESENT: Acevedo, Koepp-Baker, Benich, Davenport, Escobar, Lyle, Mueller

ABSENT: None

LATE: None

STAFF: Community Development Director (CDD) Molloy Previsich, Business and Assistant and Housing Services Director (BAHSD) Toy, Planning Manager (PM) Rowe, Contract Planner (CP) Bischoff, and Minutes Clerk Johnson.

Chair Benich called the meeting to order at 7:01 p.m.

**DECLARATION OF POSTING OF AGENDA**

Minutes Clerk Johnson certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

**OPPORTUNITY FOR PUBLIC COMMENT**

With no members of the audience indicating a wish to address matters not on the agenda, the time for public comment was closed.

**MINUTES:**

**JUNE 13, 2006**

**COMMISSIONERS MUELLER/ACEVEDO MOTIONED TO APPROVE THE JUNE 13, 2006 MINUTES WITH THE FOLLOWING CORRECTIONS:**

Page 2, paragraph 9, line 9: .....*coverage* hole

Page 11, paragraph 5: *over-all the project requires one (1) less unit than allocated and that therefore one (1) unit could be reassigned to some other project.*

**THE MOTION CARRIED BY THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, LYLE, MUELLER; NOES: NONE; ABSTAIN: ESCOBAR; ABSENT: NONE.**



# PLANNING COMMISSION MEETING MINUTES

JULY 11, 2006

PAGE 2

## PUBLIC HEARING:

**1) PUBLIC HEARING** This is a City-initiated request to adopt a new Housing Element of the General Plan.  
**REGARDING** The proposed Element represents a comprehensive statement of the City's current and  
**ADOPTION OF** future housing needs and proposed actions to facilitate the provision of housing to meet  
**HOUSING** the needs of all income levels. The Element has been prepared in such a way as to meet  
**ELEMENT UPDATE** the requirements of State law and local housing objectives. A Negative Declaration,  
finding no significant negative effects on the environment as a result of adoption of the  
Element, is proposed to be adopted for this project.

CP Bischoff presented the staff report, indicating that the public hearing on this item had been continued from the Commission's June 27 meeting. He advised the Commission that additional draft changes were proposed and that those changes are shown on a handout provided to each Commissioner that evening. CP Bischoff recommended approval of the Housing Element with the additional changes provided. He indicated that the approval resolution authorized staff to make additional changes to Appendix B of the Element, the Housing Needs Assessment, without further Commission review.

Responding to a question from Commissioner Koepp-Baker regarding housing for persons with disabilities, BAHSD Toy indicated that the City, through its Redevelopment Agency, had provided funds to Community Solutions to remodel and upgrade its domestic violence shelter. He further explained that the Agency has also provided funding to the Emergency Housing Consortium for its shelter in San Martin.

Commissioner Escobar, addressing the issue of providing 'reasonable accommodation' to persons with disabilities, indicated that it is his experience that the accommodation needs to be 'effective' as well as 'reasonable'.

Considerable discussion ensued regarding the State's request that the City add an Action to the Element that would commit the City to placing before the voters an amendment to Measure C should the City be unable to provide its ABAG-assigned 'fair share' housing allocation. CP Bischoff indicated that no impediments exist that would preclude the City from meeting its 'fair share' for the current Housing Element planning period.

Chair Benich opened the public hearing. With no persons present indicating a wish to speak to the matter, the public hearing was closed.

Commissioner Lyle said that the Element should be modified to clarify where secondary dwelling units are allowed. He also recommended that an Action be added that would have the City address the current density and height limitations in the CC-R district.

Commissioner Mueller recommended that the Housing Element only be amended to address issues raised by the State. He expressed concern that additional changes by the City might cause the State to require additional changes, as well. Others shared the concern while arguing the importance of evaluation of all potential issues.

CDD Molloy Previsich advised that in her experience of working with Housing

**PLANNING COMMISSION MEETING MINUTES**

**JULY 11, 2006**

**PAGE 3**

Elements, it is beneficial to give specific examples of the programs currently in place and being proposed in the document. She agreed that the suggestion Commissioner Lyle made of inclusion of those in-place programs could be presented in a 'better light'.

Considerable discussion ensued regarding the State's request that the City add an Action to the Element that would commit the City to placing before the voters an amendment to Measure C should the City be unable to provide its ABAG-assigned 'fair share' housing allocation. Several comments and suggestions were made regarding the specific language of that Action, including; discrepancies in prior year numbers for 'fair share' housing needs; vote in 2004 which reflects intent to meet needs; concern of State asking for commitment to future; and staff's belief that the State would have a difficult time requiring modification for current planning period.

Turning to another matter, Commissioner Lyle suggested a section of the Housing Needs Assessment (page B2 of the summary, 1<sup>st</sup> paragraph) be amended, as it cause ABAG to increase the City's 'fair share' in the next Housing Element update. He pointed out other statements dealing with employment availability which could be cause for concern, as well. This elicited extensive discussion, with concerns being raised as to changing a document which had been thoroughly reviewed by the State. Ultimately, the Commissioners agreed that changes to the document, except for those referenced by CP Bischoff, should not be made.

The Commissioners discussed with staff the possibility of adjustment of the population baseline numbers in the next Housing Element update.

**COMMISSIONERS MUELLER/ESCOBAR MOTIONED TO RECOMMEND APPROVAL OF THE NEGATIVE DECLARATION TO THE CITY COUNCIL. THE MOTION PASSED WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; NONE WERE ABSENT.**

**COMMISSIONER MUELLER MOVED FOR APPROVAL OF THE RESOLUTION RECOMMENDING CITY COUNCIL APPROVAL OF THE UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN, APPLICATION GPA-01-09, INCLUDING THE CHANGES DISTRIBUTED AT THE MEETING AND A CHANGE TO THE ACTION REGARDING THE ABAG 'FAIR SHARE' HOUSING ALLOCATION. NOTING THE FINDINGS AND CONDITIONS WITHIN THE RESOLUTION, COMMISSIONER ESCOBAR PROVIDED THE SECOND. THE MOTION CARRIED BY THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.**

**2) ZA-06-10:** An amendment to Title 18, Chapter 18.47 of the Morgan Hill Municipal Code, **CITY OF M.H.-TEXT** amending the Density Bonus provisions for affordable housing to be consistent with the State Density Bonus Law as set forth in Section 65915 of the California Government Code. A further amendment is also proposed under Chapter 18.55 of the Municipal Code, eliminating the Conditional Use Permit requirement and eliminating the local street standards for secondary dwelling units.

**AMENDMENT TO CHAPTER 18.47, AFFORDABLE HOUSING BONUSES AND OTHER INCENTIVES AND** PM Rowe gave the staff report, indicating this is basically a continuation of agenda





**CITY OF MORGAN HILL  
JOINT SPECIAL & REGULAR CITY COUNCIL AND  
REGULAR REDEVELOPMENT AGENCY MEETING  
MINUTES – JULY 19, 2006**

**DRAFT**

**CALL TO ORDER**

Mayor/Chairman Kennedy called the special meeting to order at 6:00 p.m.

**ROLL CALL ATTENDANCE**

Present: Council/Agency Members Carr, Grzan, Tate and Mayor/Chairman Kennedy  
Late: Council/Agency Member Sellers (arrived at 6:25 p.m.)

**DECLARATION OF POSTING OF AGENDA**

City Clerk/Agency Secretary Torrez certified that the special and regular meeting agenda was duly noticed and posted in accordance with Government Code 54954.2.

***City Council Action***

**CLOSED SESSIONS:**

City Attorney Kern announced the below listed closed session item.

1.

**CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Authority: Government Code Section 54956.9(a)  
Case Name: Arcadia Development Company v. City of Morgan Hill  
Case Number: County of Santa Clara No. 1-04-CV-020598.  
Attendees: City Manager; City Attorney; Special Counsel Ellison Folk

**OPPORTUNITY FOR PUBLIC COMMENT**

Mayor Kennedy opened the Closed Session item to public comment. No comments were offered.

**ADJOURN TO CLOSED SESSION**

Mayor Kennedy adjourned the meeting to Closed Session at 6:05 p.m.

Council Member Sellers joined the Council in closed session.

**RECONVENE**

Mayor/Chairman Kennedy reconvened the meeting at 7:00 p.m.

**CLOSED SESSION ANNOUNCEMENT**

City Attorney Kern announced that no reportable action was taken in closed session.

**DRAFT**

*Parcels by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO A PRECISE DEVELOPMENT PLAN FOR AN EXISTING PLANNED UNIT DEVELOPMENT (PUD) ORDINANCE (ORDINANCE NO. 1687) TO ALLOW AN APPROXIMATELY 167,500 SQUARE FOOT ABOVE GROUND MATHEMATICS CONFERENCE CENTER WITH A 34,385 SQUARE FOOT UNDERGROUND GARAGE AND A NEW 185 SPACE SURFACE PARKING LOT TO REPLACE AN EXISTING 121 SPACE PARKING LOT ON AN APPROXIMATELY 54 ACRE SITE LOCATED AT 14830 FOOTHILL AVENUE. (APNS 825-30-007 AND 825-29-002) (ZAA 03-03: Foothill – The Institute) by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*

**Action:** *On a motion by Mayor Kennedy, and seconded to Council Member Tate, the City Council unanimously (5-0) **Adopted** Resolution No. 6032, Approving a Site Review Permit and an Exception to the Underground Utility Requirement.*

**22. GENERAL PLAN AMENDMENT, GPA-01-09: CITY OF MORGAN HILL-ADOPTION OF HOUSING ELEMENT UPDATE – Resolution No. 6033**

Contract Planner Bischoff presented the staff report, indicating that the Housing Element is one of the mandated elements in the City's General Plan. He said that State law is specific with respect to the contents of the Housing Element than any other element of the General Plan. The Housing Element is the only element in the General Plan that the State is authorized to certify as being in compliance with state law. The State also specifies the time period for which a Housing Element should be prepared and for Morgan Hill, it is the period of 1999-2006. He informed the Council that the next update to the Housing Element will be for the period of 2009-2014 and that this update will begin in approximately two years. In order to comply with state law with respect to the 1999-2006 Housing Element, the City began an update process in 2001. The update and 9-member advisory committee was chaired by Council Member Carr. This committee completed a draft of the Housing Element in late 2001. The Council conducted 2 workshops to review the work of the Committee to date. He indicated that this Housing Element was sent to the State for review. The State provided comments to the City and requested minor changes to the policies, and changes to the substantiating data with respect to the Housing Element. He informed the Council the State liked the City's Housing Element, but could not certify it because Measure C did not allow the City to meet its fair share of housing allocation of 2,484 units assigned to the City by ABAG. He noted that in 2004, Measure C was passed and that with the passage of Measure C, the number of units the City could allow, on an annual basis, bumped the units to 250 units/per year and allows the City to provide additional units. This number now enables the City to meet the fair share housing allocation assigned by ABAG.

Contract Planner Bischoff informed the Council that staff has drafted amendments to the Housing Element that addressed the comments received by the State. Staff proposes some changes to the Housing Element that were necessitated by changes in State law since the Housing Element was first drafted. Staff has sent these changes to the State for a second informal review; indicating that the State has provided some additional comments. The comments deal with documentation/information. There were not a lot of comments provided by the State with respect to policy directions. He informed the Council that there were two documents included in the Council's packet: 1) the Housing Element, and 2) the



**DRAFT**

Housing Needs Assessment. He clarified the goals and policies before the Council, are for the most part, the same as those contained in the current General Plan; indicating that fundamentally, the Housing Element remains the same. He indicated that the Housing Element contains three main goals: 1) provision of new housing; 2) preservation of the existing housing stock; and 3) housing needs for special groups such as large families, single parents, disabled persons, and seniors. He said that the policies and actions italicized are new additions to the existing element. He stated that there were a few actions deleted as well as actions that have been achieved, out of date, or found not to be effective. He informed the Council that the Housing Element before it was reviewed by the Planning Commission on June 27 and July 11, and that the Planning Commission recommends Council approval. The Resolution before the Council would allow for the approval of the Housing Element and authorize staff to make additional changes, as found necessary, to the Housing Needs Assessment in order to satisfy State requirements. He clarified that the Resolution does not authorize the City to make any changes to policy(ies).

Council Member Sellers noted that reference was made regarding affordable housing. He referred to Policy 1g, page 379 of the agenda packet. The first action of this policy requires that 40% of all new housing be set aside for low, medium and moderate income households. It was his recollection the Council wanted to move toward median income households through Measure C in a variety of ways such as working with for profit and non profit developers. He inquired whether there were specific references to the percentage of housing, how it was broken out and to what degree the City would emphasis one over the other. He noted the City has been able to provide a much higher percentage of affordable housing through Measure C, the Residential Development Control System (RDCS). However, a lot of this housing has been at one end of the spectrum and not close to the median.

Contract Planner Bischoff indicated that there is an action included that states that at the conclusion of each RDCS competition, the Planning Commission and the Council should look at the results of the competition; including the sufficiency of the level of affordable housing; making adjustments, as necessary.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Council Member Tate noted that the Council has been dealing with the Housing Element for a number of years, especially in the work of Council Member Carr. He felt that this is a perfunctory approval at this time. He felt a great job was done and was ready to move forward.

**Action:** *On a motion by Council Member Tate, and seconded to Council Member Sellers, the City Council unanimously (5-0) Adopted the Negative Declaration.*

**Action:** *On a motion by Council Member Tate, and seconded to Council Member Sellers, the City Council unanimously (5-0) Adopted Resolution No. 6033.*

Council Member Carr concurred that this is the culmination of the work started years ago with the assistance of a citizen group that provided advice as well as other outside agency groups. One of the steps that needed to be done was the update to the RDCS through Measure C. With its approval, it allows the Housing Element to be completed; noting that in two years, the City will need to start on the next Housing Element update.





COMMUNITY DEVELOPMENT DEPARTMENT

LEGAL ADVERTISING SECTION

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL WILL CONDUCT A PUBLIC HEARING ON THE FOLLOWING PROPOSAL(S) AT THE DATE, TIME AND LOCATION LISTED BELOW. ALL INTERESTED PERSONS ARE INVITED TO ATTEND THE HEARING AND PROVIDE COMMENTS.

DATE: June 27, 2006

TIME: 7:00 P.M.

LOCATION: City Council Chambers  
17555 Peak Avenue  
Morgan Hill, California 95037

**ZONING AMENDMENT, ZAA-03-03: FOOTHILL-THE INSTITUTE/AIM:** A request for an amendment to a Precise Development Plan for an existing PUD to allow an approximately 167,500 sq. ft. above ground mathematics conference center with a 34,385 sq. ft. underground garage and a new surface parking lot to replace an existing parking lot on an approximately 54 acre site located at 14830 Foothill Ave. (APN's 825-30-007 and 825-29-002)

**ZONING AMENDMENT, ZA-06-10: CITY OF MORGAN HILL – TEXT AMENDMENT TO CHAPTER 18.47, AFFORDABLE HOUSING BONUSES AND OTHER INCENTIVES AND CHAPTER 18.55, SECONDARY DWELLING UNITS:** An amendment to Title 18, Chapter 18.47 of the Morgan Hill Municipal Code, amending the Density Bonus provisions for affordable housing to be consistent with the State Density Bonus Law as set forth in Section 65915 of the California Government Code. A further amendment is also proposed under Chapter 18.55 of the Municipal Code, eliminating the Conditional Use Permit requirement and eliminating the local street standards for secondary dwelling units.

**PUBLIC HEARING REGARDING ADOPTION OF HOUSING ELEMENT UPDATE:** This is a City-initiated request to adopt a new Housing Element of the General Plan. The proposed Element represents a comprehensive statement of the City's current and future housing needs and proposed actions to facilitate the provision of housing to meet the needs of all income levels. The Element has been prepared in such a way as to meet the requirements of State law and local housing objectives. A Negative Declaration, finding no significant negative effects on the environment as a result of adoption of the Element, is proposed to be adopted for this project.

NOTICE IS ALSO GIVEN, pursuant to Government Code Section 65009, that any challenge of the above applications in court may be limited to raising only those issues raised by you or on your behalf at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to the public hearing on this matter.

Additional information regarding these proposals is available for review at City Hall Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. Further information may be obtained from the Community Development Department at telephone number (408)779-7248 or 779-7249.

Date: June 13, 2006

Published: June 17, 2006

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**COMMUNITY DEVELOPMENT DEPARTMENT**

**PUBLIC NOTICE - LEGAL ADVERTISING SECTION**

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the City Council and Redevelopment Agency of the City of Morgan Hill, California, will hold a public hearing on **July 19, 2006**, at 7:00 p.m., or as soon as possible thereafter, in the City Council Chambers located at 17555 Peak Avenue, Morgan Hill, California to consider the following matter(s):

**ZONING AMENDMENT, ZAA-03-03/SITE REVIEW, SR-06-03: FOOTHILL-THE INSTITUTE/AIM:** A request for an amendment to a Precise Development Plan for an existing PUD and site, landscape and architectural plans for an approximately 167,500 sq. ft. above ground mathematics conference center with a 34,385 sq. ft. underground garage and a new surface parking lot to replace an existing parking lot and request an exception to the underground utility requirement, on an approximately 54 acre site located at 14830 Foothill Ave. (APNs 825-30-007 and 825-29-002)

**PUBLIC HEARING REGARDING ADOPTION OF HOUSING ELEMENT UPDATE:** This is a City-initiated request to adopt a new Housing Element of the General Plan. The proposed Element represents a comprehensive statement of the City's current and future housing needs and proposed actions to facilitate the provision of housing to meet the needs of all income levels. The Element has been prepared in such a way as to meet the requirements of State law and local housing objectives. A Negative Declaration, finding no significant negative effects on the environment as a result of adoption of the Element, is proposed to be adopted for this project.

ALL INTERESTED PERSONS may appear and be heard at the said time and place. Written communications may be filed prior to the hearing. Additional information regarding these proposals is available for review at City Hall Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. Further details may be obtained from the Community Development Department at telephone number (408) 779-7248.

NOTICE IS GIVEN, pursuant to Government Code Section 65009, that any challenge of the above items in court, may be limited to raising only those issues raised by you or on your behalf at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the public hearing on this matter.

This notice is given pursuant to Ordinance No. 559, New Series.

BY ORDER OF THE CITY COUNCIL  
OF THE CITY OF MORGAN HILL.

Irma Torrez  
City Clerk

Date: June 30, 2006  
Published: July 8, 2006



## APPENDIX B: HOUSING NEEDS ASSESSMENT

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## INTRODUCTION

The Housing Element is one of seven state-mandated elements of the General Plan. The Housing Element contains a comprehensive list of information regarding housing needs and the existing housing stock as presented in the Housing Needs Assessment. Section 65583(a) of the Housing Element Law states that the housing element must contain an "analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition." The Housing Needs Assessment fulfills this requirement.

The Housing Needs Assessment provides background information on the housing needs and conditions in the City in order to prepare goals and policies that will adequately meet the needs of the community. The 2000 U.S. Census results have just begun to be released and will continue to be disseminated through 2002. As information becomes available, it will be incorporated into the City's Housing Element. It is likely that the basic thrust of this report will not change as a result of new data, but the order of magnitude of the problems and relative needs may shift. As such, this report should be considered a work-in-progress. The data presented in the Housing Needs Assessment will not only guide the development of housing goals and policies, but will also be integrated into the body of the Housing Element to present the current status of housing and housing related issues in Morgan Hill.

This assessment is organized into four data sections. The first section focuses on demographic information such as population size, ethnicity, age, household type, income, employment, housing characteristics, general housing needs by income, and special housing needs for specialized segments of the population. This first section basically outlines the characteristics of the community, and identifies those characteristics that may have significant impacts on housing needs in the community.

The second section identifies the City's resources, the historic development pattern, and areas of housing opportunity in the community. It also identifies special housing and other housing resources that are characteristic of the City, and that provide both opportunities and potential constraints to the growth and maintenance of the housing stock in Morgan Hill.

The next section discusses the governmental and non-governmental constraints to housing development in the City. The City has building standards that can limit the amount or location of housing in certain areas, or that can result in fees that make certain types of housing infeasible. In addition, there are environmental constraints that cause housing limitations. Non-governmental constraints such as the housing market, financing, and construction costs also limit housing growth in Morgan Hill.

The final section of the Needs Assessment discusses opportunities for energy conservation, which can reduce homeowner costs, and infrastructure costs to the City. With a reduction in basic living costs through energy savings, more households will be better able to afford adequate housing.

Combined, these sections provide an analysis and documentation of the community's characteristics and needs, and identifies potential constraints to meeting the community's needs adequately.

## SUMMARY OF FINDINGS

### Population Growth and Characteristics

- Morgan Hill's population is expected to grow steadily over the next 20 years, continuing the demand for a variety of housing types and costs. The rate of population growth is anticipated to continue due to the Residential Development Control System (RDCS), which regulates residential development. The City's population projections through 2020 are higher than those of the Association of Bay Area Governments.
- Morgan Hill's ethnic composition is similar to that countywide, with the exception of a significantly lower percentage of residents of Asian origin. The slightly larger percentage of residents of Hispanic origin than countywide is likely due to the City's location in an active agricultural area in southern Santa Clara County. The City has a slightly larger percentage of residents employed in agriculture-related industries than the countywide population (see Employment Trends below).
- Morgan Hill has a slightly higher percentage of children, a slightly lower percentage of seniors, and larger average household size than the countywide or statewide populations. Morgan Hill also has a higher percentage of families with children, reflecting the City's attractiveness for such households. As southern Santa Clara County continues to urbanize, and Morgan Hill continues to grow, one result could be a gradual increase in households without children and non-family households. This is particularly true if current families remain in Morgan Hill after their children are grown.

### Income and Poverty

- Morgan Hill is somewhat more affluent than the countywide population. The median income in the City is over ten percent higher than countywide, and about twelve percent fewer city residents have very low- or low-incomes than the countywide population. At the time this document was prepared, 2000 Census data on income had not yet been released to compare trends in city versus county incomes.
- The poverty rate in Morgan Hill was about five percent in 1990, below the countywide level of eight percent. Poverty rates among most Morgan Hill residents were generally low, with the exception of persons of Hispanic origin and some other ethnic minorities in the City. Female-headed households with children, primarily single mothers, had the highest poverty rate of any group in Morgan Hill, about 20 percent in 1990.

### Employment Trends

- Employment data from the U. S. Census and the California Employment Development Department (EDD) suggest that the majority of Morgan Hill residents are employed in administrative, technical, professional, and managerial jobs. The top employers in Morgan Hill are a combination of public agencies,



technology firms, construction enterprises, retail establishments, and specialty manufacturers. According to ABAG, job growth is expected to be 70 percent between 2000 and 2020 in the City. According to EDD, technology firms are expected to create the highest number of new jobs countywide over the next several years.

- Workers in most industries with significant job growth over the next decade will have either above moderate-incomes or low- to very-low incomes. There appears to be a widening gap, therefore, among wages and incomes.

### **Special Needs**

- Morgan Hill has a number of special housing needs, primary among these among are older adults, families with low-incomes, and persons with disabilities.
- As the current population ages, Morgan Hill can expect to experience an increase in the number of older adults with special housing needs over the next 20 years. Although senior housing needs are not a large issue in Morgan Hill, the most critical housing-related needs among seniors appear to be: financial support for low-income seniors who do not own their homes, assistance with home maintenance expenses for low-income senior homeowners, and assisted care for seniors who have self-care and mobility limitations.
- Non-elderly individuals with disabilities also have financial and physical needs. Although the number of such individuals represents a small percentage of all residents, their needs frequently remain unmet by the private market.
- Large families with low incomes are particularly subject to high housing costs as there are few affordable homes in sound conditions with adequate space to prevent overcrowding.
- Poverty rates are low for most population groups in the City; however, female-headed households with children have a high poverty rate (20 percent). Although female householders with children do not comprise a large proportion of the City's population, housing assistance programs and projects may help reduce poverty levels.
- Persons employed in agriculture are a small percentage of the total Morgan Hill population but are likely to have lower incomes and find it difficult to obtain affordable housing. Although they represent a very small percent of the population, farmworker families will likely have significant unmet housing needs because low wages tend to place them in the very low- and low-income categories. As a result, they have a higher probability of being impacted by substandard housing conditions and overcrowding.
- Homelessness does not appear to be a significant problem in Morgan Hill, but there are homeless persons in the City nonetheless. Contacts with social service organizations and others dealing with emergency housing and the homeless on a daily basis estimate suggest that there are approximately 80 homeless persons in the City of Morgan Hill. Some of these homeless may be travelers who are temporarily stranded, since Highway 101 is a major transportation route.



## Housing Characteristics

- About two-thirds of the City's housing stock consists of single-family detached homes, compared to less than sixty percent countywide. Nearly three-fourths of Morgan Hill residents own their homes, compared to 60 percent countywide. Homeownership is highest among adults 65 years of age or more, 80 percent. The composition of the City's housing stock is consistent with the characteristics of a lower density suburban community.
- 2137 housing units were added to City's housing stock between 1999 and 2005, an increase of 21.7 percent. Nearly half (44 percent) of these housing units were affordable to very low-, low-, or moderate-income households.
- Morgan Hill's housing stock is in good shape, overall. About 85 percent of the housing units in the City were constructed since 1970. There are several older neighborhoods in which a significant number of dwelling units may need varying degrees of repair, from deferred maintenance to replacement. The City estimates that less than ten percent of the housing stock needs deferred maintenance or rehabilitation, and less than one percent needs replacement.
- About seven percent of Morgan Hill households lived in overcrowded conditions (more than one person per room) in 1990, the most recent year for which Census data is available. By comparison, Santa Clara County experienced an 11 percent overcrowding rate in 1990. Overcrowding in Morgan Hill occurred more often in rental housing (17 percent) than owner-occupied housing (3 percent), suggesting that there were a significant number of large families who could not afford to purchase a home or find affordable rental housing of sufficient size.

## Housing Costs and Affordability

- Historically, housing costs in Morgan Hill have been lower than the countywide average. However, the median housing price in Morgan Hill actually exceeded the countywide average, \$475,000 to \$462,000, in August 2001. Month-to-month prices can vary significantly, but the trend over the past several years appears to be that housing prices are rising faster in Morgan Hill than countywide.
- Costs for rental housing in Morgan Hill also exceed those countywide. Apartment rents range from about \$500 for a one-bedroom unit to nearly \$1,600 for a four-bedroom unit. Average rents for one- and two-bedroom apartment are between \$1,000 and \$1,300. Rents for houses and townhomes range from \$1,400 for a two-bedroom home to over \$5,000 for a four-bedroom home.
- The affordability of housing in Morgan Hill has been an issue of concern for many years, but the magnitude of the problem has become especially critical over the past few years. The problem of housing affordability does not affect Morgan Hill alone, but is a regional problem, especially evident in Santa Clara County. With a slowing real estate market, prices have stabilized and are starting to decrease, but the employment rate and income level is also decreasing.
- Those at the lowest-end of the income spectrum are experiencing the greatest financial distress as a result. The City estimates that only 21 percent of very low-

income residents can afford a rental unit in Morgan Hill (measured as 30 percent of a household's gross income). In 1990, even most low-income renters did not have affordable housing, although a comparison of current rents with income levels suggests that most low-income households earning more than 65 percent of the countywide median income can find affordable rental housing. The situation is much better for many moderate-income households, with the majority of these households being able to find housing within an affordable cost range.

- Homeownership is out-of-reach financially for nearly all lower-income and most moderate-income households. About ten percent of low- or moderate-income households can afford to purchase a home in Morgan Hill.
- As a result of the rapid increase in higher paying jobs and the attractiveness of Morgan Hill as a residential community, housing cost and availability to lower- and moderate-income households has not kept pace with demand. Not only has this created a larger number of households for whom housing has become less affordable, but it has also widened the gap between the price of shelter and the income necessary to afford housing. Therefore, a meaningful housing strategy will require that there be a realistic assessment of the availability of programs and fiscal resources and a careful prioritization of the needs that are to be met.

### **Opportunities and Constraints**

- Most of the remaining land available for development is located on the valley floor and is served by infrastructure. Some sites remain that may be suitable for higher density housing, infill, or mixed-use developments, particularly in the City's redevelopment plan area. The cost of land, the cost of construction, and impacts on established surrounding neighborhoods, may limit the financial feasibility of, and the locational options for developing affordable housing. However, re-use potential of some sites in Morgan Hill, Redevelopment Agency funding, the availability of some vacant parcels for higher density housing, and the City affordable housing preferences under the RDCS, can create incentives for the production of affordable housing. According to the City's records, 957 affordable housing units were produced or under construction between 1999 and 2005.
- The RDCS limits the number of new units that may be constructed in the City each year. Based on a percentage of the current population level, the City permits approximately 250 allotments annually. Projects compete for approval based on a number of factors including design, location, housing type, and provision of affordable units. Projects containing 100 percent affordable units participate in a separate competition established for such projects.
- Although the City has developed land use controls for environmentally sensitive areas of the City, few residential lands are located in environmentally sensitive areas. Environmental constraints are not significant in Morgan Hill, therefore.



# HOUSING NEEDS ASSESSMENT

## POPULATION CHARACTERISTICS

### Population

With the opening of Highway 101 in the late 1970s, Morgan Hill became an attractive City for commuters. Morgan Hill's population boom has experienced slower yet steadier population growth since the late 1970s due to implementation of a Residential Development Control System (RDCS) that limits growth in the City. Under the RDSCS, approximately 175 new residential development project permits are currently issued each year. At least 20 percent of the allocations are set-aside for 100 percent affordable units. Of the remaining 80 percent of the allocations, affordable units are included in the competitive RDSCS allocation where more points are given to projects including affordable units than to projects without affordable units, with 10 percent of the allocations having some affordable units. Although this limits the total number of units affordable to all income levels, it ensures that a portion of units receiving approval provide housing for moderate- and lower-income households. As a result of the RDSCS, population growth has been steady throughout the 1990s. Changes in household composition related to age and the percentage of households with children have also had an influence on Morgan Hill's population.

Since 1990, the City's population has increased about 29 percent, more than the growth rate (11 percent) for Santa Clara County overall. According to the U.S. Census Bureau, the City's population was 23,928 in 1990 and 33,556 in 2000. City projections for population growth differ from the Association of Bay Area Governments (ABAG) projections as the City has taken the RDSCS into consideration. Table 1 shows the difference between City and ABAG projections. Between 2005 and 2020, the City projects a 24 percent growth rate, compared to a 15 percent growth rate projected by ABAG. The City's projections are actually higher than ABAG's projections because the City projects better economic conditions in Morgan Hill than ABAG, which would result in higher demand for residency in the area.

**Table 1**

### Morgan Hill Population Projections

Year	City RDSCS Projections	ABAG Projections
2005	36,500	35,600
2010	38,800	39,300
2015	43,400	40,900
2020	48,000	42,900

Source: Association of Bay Area Governments  
Projections 2005 and Morgan Hill General Plan,  
2000.

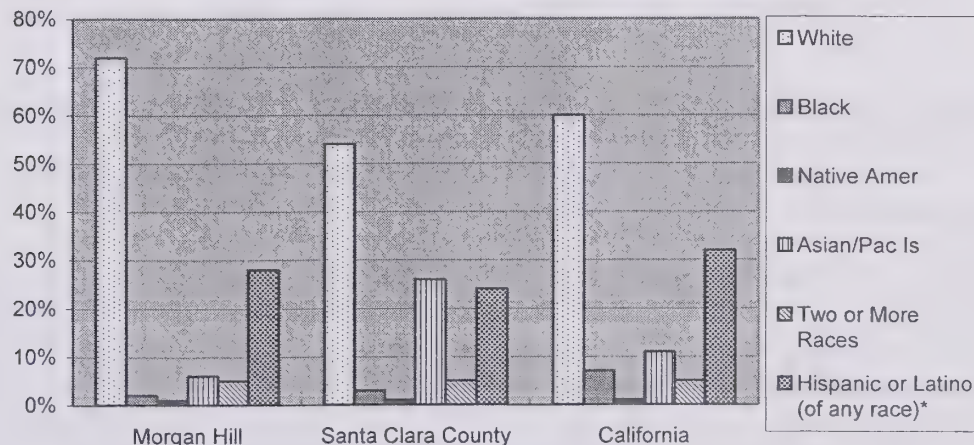


## Ethnicity

In 2000, the relative proportions of the various ethnic groups in Morgan Hill varied significantly from those of other cities in Santa Clara County and from the state as a whole. While persons of Hispanic origin comprise about one-quarter of the countywide population and over one-third of the statewide population, such individuals comprise 28 percent of the City's population. Similarly, other minority groups representing large segments of the countywide and statewide populations consist of less than one-quarter of the city's population. Asian and Pacific Islanders comprise 6 percent of Morgan Hill's population, compared to 26 percent of the population within Santa Clara County and 11 percent statewide. Figure 1 compares ethnicity on a citywide, countywide, and statewide basis.

**Figure 1**

Comparison of Race by City, County, and State Population (2000)



Source: 2000 U.S. Census.

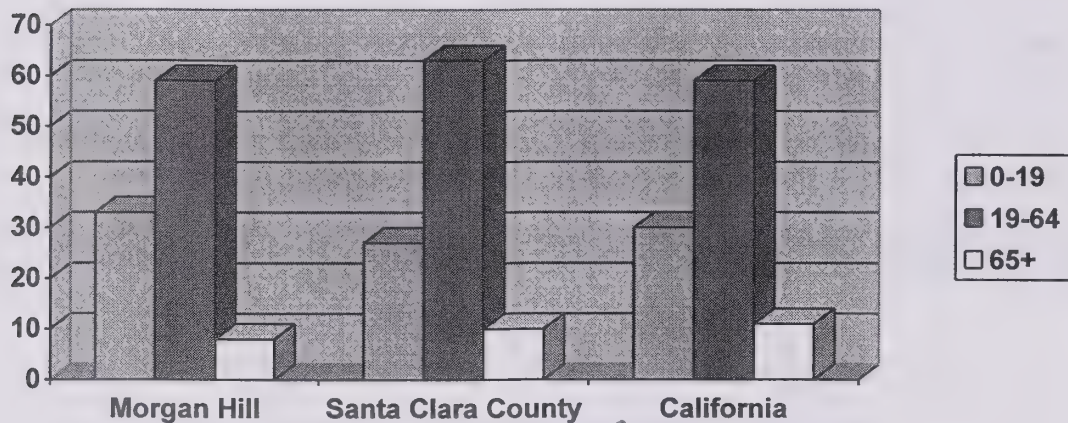
\*Population of Hispanic origin is not a racial category and is included as a percentage of the other population groups.

## Age

The age distribution in Morgan Hill is similar to the population of Santa Clara County as a whole, with a higher number of children living in the City and a lower number of working-age adults (Figure 2). The percentage of City residents 65 years of age or more and 24 years of age or less has remained approximately the same in Morgan Hill since 1990. The primary change in age between 1990 and 2000 results from an increase in the proportion of younger working-age adults (age 25-44) and a decrease in the proportion of older working-age adults (45-59). Although those age 45 to 59 represented a lower proportion of the population in 2000, this age group actually experienced the largest growth rate between 1990 and 2000, as did seniors age 85 and older. This suggests that new economic opportunity has drawn working-age adults into the area and that lengthening of the average lifespan has retained older residents. The City's median age is the same as in the county (34.0) but slightly higher than in the state (33.3).

**Figure 2**

2000 Age Distribution (percent)

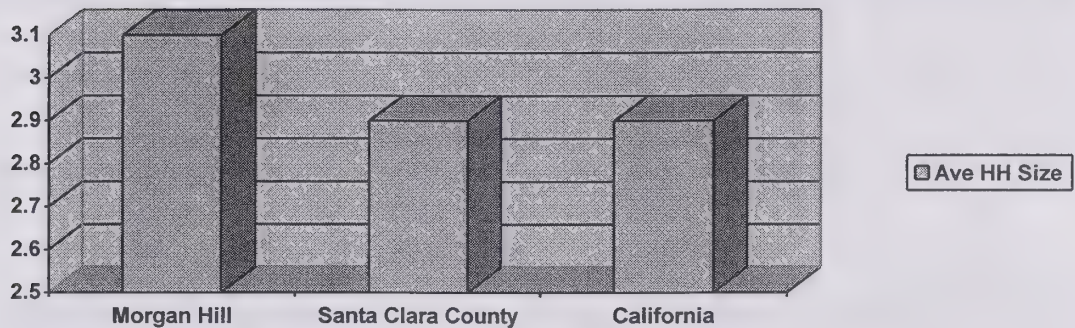


Source: 2000 U.S. Census.

## Households

According to 2000 U.S. Census figures, Morgan Hill has a larger percentage of family households than in the county or state for the same period. Morgan Hill has experienced a slight increase in household size since 1990, increasing from 3.0 to 3.1 over the 10-year period. Figure 3 compares average household sizes in Morgan Hill, Santa Clara County, and California for 2000. U.S. Census household figures for 2000 show that the average household size in Morgan Hill is now only slightly higher than Santa Clara County and the average statewide household size. ABAG projects the average household size in Morgan Hill will decrease to 2.86 persons per household by 2020.



**Figure 3****Average Household Size (2000)**

Source: 2000 U.S. Census.

Of the 10,846 households reported in Morgan Hill in 2000, 80 percent were family households, of which 63 percent were married-couple families. Fifty-five percent (4,769) of the 8,628 family households had children less than 18 years of age. Of the 4,769 families with children under age 18, approximately 23 percent were single-parent households, two-thirds of which were single mothers. The proportion of single-parent households in Morgan Hill in relation to all households with children was above the countywide level (20 percent) but below the statewide level (27 percent). Approximately 20 percent of the households in Morgan Hill were non-family households, of which 74 percent were persons living alone. Over one-third of those persons living alone were senior citizens, however, this only accounts for 6 percent of the total number of households in the City. The proportion of different types of households in Morgan Hill, in conjunction with the age distribution and household sizes, suggests a community with a higher proportion of family households and children.

**INCOME CHARACTERISTICS**

According to the 1990 census, the median household income in Morgan Hill was \$53,480. This was above the county median of \$48,115. Federal income guidelines for participation in various housing subsidy programs (HUD), is based on the size of a household's income relative to the median income for the area. For a family of four, the median income was estimated to be \$87,300 in Santa Clara County in 2001. The Federal government does not provide income guidelines or estimates for individual cities, and 2000 Census information is not available at this time during the Housing Element update.

In evaluating income levels, four standard measures are often used: "very low-income," "low-income," "moderate-income," and "above moderate-income." These income levels are expressed as a percentage of the median income (the mid-point at which half of all households earn more and half earn less) and are usually adjusted for household size.



Thus, a "low-income" household of four has a higher income than a "low-income" household of two. Income limits for households in Morgan Hill in 2001 are shown in Table 2. An income below \$48,350 for a single person was considered low-income according to HUD. An income of \$91,150 for an eight-person household was also considered low-income.

**Table 2**

**Santa Clara County Household Income Limits (2001)**

<b>Household Size</b>	<b>Extremely Low-Income (30% of Median)</b>	<b>Very Low-Income (50% of Median)</b>	<b>Low-Income (80% of Median)</b>
1 Person	\$18,350	\$30,550	\$48,350
2 Persons	\$20,950	\$34,900	\$55,250
3 Persons	\$23,550	\$39,300	\$62,150
4 Persons	\$26,200	\$43,650	\$69,050
5 Persons	\$28,300	\$47,150	\$74,550
6 Persons	\$30,400	\$50,650	\$80,100
7 Persons	\$32,500	\$54,150	\$85,600
8 Persons	\$34,550	\$57,600	\$91,150

Source: HUD 2001 Income Guidelines.

In a normally distributed population (that is, one not skewed to either end of the income scale), approximately 40 percent of the population will have incomes within the very low- and low-income ranges, about 20 percent within the moderate-income range, and about 40 percent in the above moderate-income range. A substantial dispersion of income within the City is around the median. Still, nearly half of Morgan Hill residents earned above moderate incomes in 2001 as defined below. Morgan Hill has a larger relative percentage of above moderate-income households and a smaller percentage of moderate- and low-income households in relation to the countywide income distribution, indicating that City residents are somewhat more prosperous than the average household countywide.

Table 3 shows the number of households in each income group in 2001. Figure 4 shows that nearly half (46 percent or 5,052 households) of Morgan Hill households had above moderate- incomes in 2001, while just over one-third (35 percent) had very low- or low-incomes, based on Claritas estimates. Approximately 2,086 households, or 19 percent, were very low-income, and 1,977 households or 18 percent, were low-income households. Moderate-income households comprised 17 percent of the households in Morgan Hill, or 1,867 households. Claritas estimates the median income in the City is \$91,356 in 2001. Although complete citywide census update data is not available for 2000, economic trends related to employment, property values, and rising home prices suggest that households who have moved to Morgan Hill since 1990 have higher average incomes than long-term residents. Unknown is whether incomes are rising faster in Morgan Hill than countywide. If the 2000 Census confirms this hypothesis, then

the gap between countywide incomes and incomes among Morgan Hill residents has widened further, as the gap between city and county housing prices has also increased.

Although 2000 Census information was not available to compare changes in income since 1990, the Federal government estimates median income levels annually in each metropolitan area in the country for the purpose of establishing income limits for eligibility for various Federal assistance programs. In 2001, the Federal government estimated that the median income for a three-person household (the approximate average household size in Santa Clara County) was \$78,600. The median income level for a four-person household was approximately \$87,300. HUD establishes these estimates to show how income limits within each income group can vary based on the number of persons within a household, with larger households requiring larger incomes than small households. These estimates can be used to determine a more accurate depiction of a household's ability to afford adequately sized housing.

**Table 3**

**2001 Morgan Hill Household Income**

<b>Income</b>	<b>Percent of Households</b>
Less than \$5,000	1%
\$5,000 - \$14,999	4%
\$15,000 - \$24,999	5%
\$25,000 - \$34,999	4%
\$35,000 - \$49,999	10%
\$50,000 - \$54,999	3%
\$55,000 - \$59,999	3%
\$60,000 - \$74,999	10%
\$75,000 - \$99,999	14%
\$100,000 - \$124,000	11%
\$125,000 - \$149,000	9%
\$150,000 - \$249,000	21%
\$250,000 - \$499,000	4%
\$500,000 or more	1%

Source: Claritas, 2001

**INCOME DEFINITIONS (2001):**

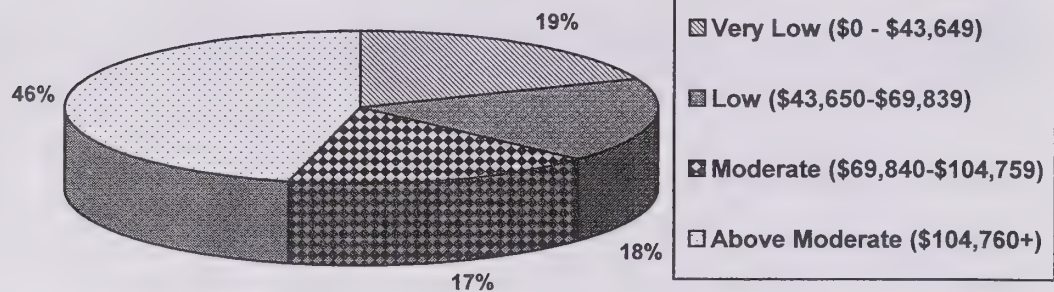
Very low-income = 50% or less of the Santa Clara County median income (\$43,559).

Low-income = 50.1% to 80% of the Santa Clara County median income (\$43,560 - \$69,839).

Moderate-income = 80.1% to 120% of the Santa Clara median income (\$69,840 - \$104,759).

Above Moderate-income = 120.1% or more of the Santa Clara County median income (\$104,760).



**Figure 4****2001 Morgan Hill Income Distribution**

Source: Claritas, 2001.

**Poverty**

The poverty level of income is a federally defined measure of the minimum income needed for subsistence living. The poverty level is an important indicator of severe financial distress, and the rate of poverty in a community (proportion of the population with poverty level incomes or less) provides important information about individuals and families in greatest financial need. The dollar threshold for poverty is adjusted each year by the Federal government for household size and composition. Table 4 provides 2000 poverty thresholds for several types of households. The Census Bureau only provides one nationwide figure for poverty and does not provide a separate poverty threshold specific to the City of Morgan Hill or Santa Clara County.

**Table 4****Poverty Thresholds (2000)**

Single Person 65+	\$8,259	Two Adults, One Child	\$13,861
Single Person Under 65	\$8,959	One Adult, Three Children	\$17,524
Two Persons 65+	\$10,409	Two Adults, Two Children	\$17,463
Two Persons Under 65	\$11,531	One Adult, Four Children	\$20,236
One Adult, Two Children	\$13,874	Two Adults, Three Children	\$20,550

Source: 2000 U. S. Census.

According to 1990 Census data, 5 percent of the City's population had incomes below the federally defined poverty level (Table 5). The rate of poverty in Morgan Hill was well below the countywide and statewide rates, indicating that even many low-income residents in the City are relatively better off than those in Santa Clara County. Female-headed households were most likely to have poverty level incomes, followed by persons



of other ethnicities and persons of Hispanic origin. Poverty among these groups was more than double that of the population as a whole in Morgan Hill. The poverty rate among female-headed households was over six times that of other households with children. Likewise, persons of Hispanic origin had twice the poverty rate of nearly all other races, with the exception of Blacks. Households with persons of Asian origin and married-couple families were least likely to have poverty level incomes. Between different age groups, poverty rates were fairly even. Children had a 1 to 2 percent higher rate than adults and seniors. The City had a 5 percent poverty rate among the total population and total households. The elderly and non-elderly groups also had 5 percent poverty rates each. Those with lower poverty rates include adults, non-female headed households with children, Asian/Pacific Islanders, Native Americans, and Whites. Those above the City poverty rate include children, female-headed households with children, Blacks, Hispanics, and Others.

By comparison, slightly less than 8 percent of the County's population was below the poverty level. Patterns of poverty were similar countywide as in Morgan Hill—groups with highest and lowest poverty rates were similar. Census data for the State revealed that approximately 18 percent of the total population was below the poverty level in 1990, although statewide poverty levels have declined substantially over the past two years. Even so, the City's poverty rate is still nearly one-fourth of the statewide rate.

**Table 5**

**Morgan Hill 1990 Poverty Rates**

Group	Above Poverty Level	Below Poverty Level	Poverty Rate
Elderly	1,592	78	5%
Non-Elderly	18,972	978	5%
Children	6,585	384	6%
Adults	15,779	672	4%
Female Householders w/Children	594	149	20%
Householders w/Children	295	8	3%
Married Couple Families	5,173	60	1%
Black	319	27	8%
Asian/Pacific Islander	1,199	19	2%
Hispanic	4,754	581	11%
Native American	178	6	3%
Other	1,877	290	13%
White	18,791	714	4%
Total Population	22,364	1,056	5%
Total Households	7,502	356	5%

Source: 1990 U.S. Census.

## EMPLOYMENT TRENDS

The 1990 Census data shows that most residents were employed in sales, administrative support, and technical support occupations (35 percent of employed residents) and managerial and professional specialty occupations (33 percent of employed residents). This is a higher percent than most communities in California and explains the higher number of above-moderate incomes in the City. Other occupations such as service, farming, repair, and manufacturing represented less than one-third of all occupations in the City.

The 1990 Census data shows that 94 percent of the employed residents work within Santa Clara County; however, only about 30 percent of these employees worked in Morgan Hill. A majority of residents travel between 10 and 20 minutes to work, with over half of the residents traveling under 30 minutes to work.

ABAG projections for Morgan Hill show a steady increase in the number of jobs from 2000 to 2020, increasing from 15,220 to 25,890, or 70 percent. If all of these jobs were to be filled by future Morgan Hill residents, the projected job growth would create a demand for 6,500 to 7,000 new housing units over 20 years, based on the current ratio of jobs per household in Morgan Hill. Many of these jobs however will be filled by a combination of current residents and others who do not live in Morgan Hill, so the precise impact on housing demand is difficult to predict. Morgan Hill is a strong commuter community, therefore Morgan Hill provides more housing than jobs. This trend is expected to continue over the next five years.

According to ABAG Projections 2000, the largest concentration of jobs in Morgan Hill is in the service sector. Projections for 2000 show 770 jobs (5 percent) in agriculture and mining, 2,790 jobs (18 percent) in manufacturing and wholesale, 2,130 retail jobs (14 percent), 6,360 service jobs (42 percent), and 3,170 other jobs (21 percent). By 2020, service and retail jobs are expected to increase at a steady rate, with slight increases in manufacturing, slight decreases in other jobs, and significant decreases in agriculture and mining.

The top 20 employers in Morgan Hill are listed in Table 6. Businesses choose to locate in Morgan Hill because of 1) the proximity to a skilled and semi-skilled workforce, 2) land values are superior to those in San Jose, and provide businesses with less property overhead costs, 3) the proximity to affordable housing, and 4) the high quality of life. Morgan Hill is just beginning to draw high-tech companies to the area, and should continue to do so as rising costs in northern Santa Clara County become unmanageable.

**Table 6****Top 20 Employers in Morgan Hill (January, 2001)**

<b>Company</b>	<b>Employees</b>
Anritsu/Wiltron	1,000
Morgan Hill Unified School District	900
Abbott Laboratories	500
Media Arts Group	400
Cloverleaf Construction	250
Fox Racing	219
Custom Chrome	202
Ericsson	200
City of Morgan Hill	175
Safeway	173
Sakata Seeds of America	150
Target	140
Mervyn's	131
Advanced Machine Programming	124
Specialized Bicycle Components	123
North Coastal Medical	118
Intercon Technology	110
Diversified Software Systems	100
CIDCO Corporation	95

Source: City of Morgan Hill phone survey and Morgan Hill Chamber of Commerce January 10, 2001.

According to the EDD 1995-2002 projections data for Santa Clara County, the largest industries in the County are services (46 percent growth), retail (24 percent growth), and manufacturing (9 percent growth). The business services sector is expected to account for the largest growth, with more than 80,000 new jobs. The fastest growing occupations in the County between 1995 and 2002 are expected to be computer system analysts/electronic data processors (95 percent), home health care workers (86 percent), computer engineers (68 percent growth), amusement/recreation attendants (68 percent), computer support specialists (58 percent), and database administrators (56 percent). Occupations that have large employment and high turnover rates generally provide the most job openings. Santa Clara County is projected to have employment opportunities not only in these high turnover occupations but also in the more technologically advanced categories. Claritas' 2001 estimates for Morgan Hill show that higher percentages of residents are employed in executive and managerial (16 percent), professional specialty (16 percent), administrative support (16 percent), and sales



positions (13 percent).

Despite projections for strong job prospects and regionally available high-paying jobs for City residents, many of the jobs expected to be created in Morgan Hill will be in services and retail industries that typically employ low- and moderate-income wage earners. However, growth in manufacturing and high-tech jobs will also grow, employing moderate- to above moderate-income wage earners. For these reasons, Morgan Hill will continue to experience a strong local demand for housing affordable to a variety of income groups. The large number of high paying jobs in the region in recent years has created an upward pressure on housing costs that has left behind other wage earners who have not shared in the newfound wealth. The result is that households previously considered middle class, such as teachers and public safety personnel have joined the ranks of other disadvantaged groups in need of affordable housing. According to the 1998 Occupational Employment Statistics Survey produced by the EDD, the mean hourly wage for Santa Clara County is \$19.42.

EDD produced an Occupational Employment and Wage Data spreadsheet by County for 2000. This spreadsheet lists over 600 jobs in Santa Clara County alone. A sample of jobs and salaries was taken relating to general occupations in Morgan Hill. Data regarding those occupations expected to experience the greatest increase are also included. The mean annual wage, and the 25<sup>th</sup> percentile and 75<sup>th</sup> percentile of the working force for each job category, are listed below (Table 7).

**Table 7**

**Occupational Employment and Wage Data for Santa Clara County 2000**

<b>Occupational Title</b>	<b>Employment Estimates</b>	<b>Mean Annual Wage</b>	<b>25<sup>th</sup> Percentile Annual Wage</b>	<b>75<sup>th</sup> Percentile Annual Wage</b>
Management	73,130	\$91,212	\$30.11	\$59.16
Professional Occupations	271,560	\$56,188	\$17.84	\$34.95
Computer Systems Analyst	8,940	\$76,487	\$25.99	\$47.23
Computer Engineer	15,700	\$85,044	\$32.00	\$50.25
Computer Support Specialist	11,240	\$63,381	\$22.89	\$36.99
Database Administrator	2,500	\$63,738	\$23.50	\$40.36
Home Healthcare Provider	*	\$21,534	\$8.54	\$11.39
Service Occupations	147,820	\$26,420	\$7.40	\$15.50
Amusement/Recreation Attendant	1,740	\$15,908	\$6.57	\$8.43
Sales Occupations	88,520	\$36,932	\$8.09	\$22.51
Office and Administrative Support Occupations	157,070	\$32,128	\$11.02	\$19.00
Farming, Fishing, and Forestry Occupations	2,120	\$16,520	\$6.36	\$8.84
Construction and Maintenance Occupations	39,580	\$44,007	\$14.24	\$27.30
Production Occupations	110,320	\$29,031	\$9.11	\$17.03
Transportation Occupations	57,510	\$24,884	\$7.66	\$15.39

Source: EDD, 2000.

\*Some information was not available

## **SPECIAL NEEDS**

Special housing needs arise due to physical, economic, social, or cultural characteristics or conditions that are present in a substantial percentage of the local population. These characteristics or conditions distinguish individuals from the general population and lead to housing or supportive services needs that are not (or cannot) be met by the private market acting alone. Examples of special housing needs include accessibility for the mobility impaired, transitional housing for those leaving a homeless environment, and housing specifically designed for the physical and social needs of older adults.

Characteristics such as age or physical limitations may be present in a large portion of the population that can affect housing choices and needs. For example, handicapped accessible housing or units that are designed to aid the physical limitations of the elderly may be needed in a community with a large population of this age group. Conversely, a community may have a large population of large, low-income families that need

adequately sized housing at a low cost, or a large number of students attending a nearby college or university. Affordability issues are also important to groups such as female-headed households, farm workers, or military personnel. Therefore, the City needs to evaluate the types of special needs groups in order to address the special housing needs. In Morgan Hill, there are several important special needs groups as evaluated below.

### Elderly

As is the case in many well-established suburbs, the numbers and percentages of the elderly population remain a significant part of the local population. Table 8 lists the population figures by age of those residents in Morgan Hill over the age of 55 and over the age of 65, during a ten-year period. It also shows that the percentage of elderly age 55 and over in the overall population increased during this same time period. According to the 2000 Census, 8 percent of the 2000 population was above the age of 65 (2,508) and 15 percent above the age of 55 (5,163).

**Table 8**

Pattern of Aging of the Morgan Hill Population

	1990	2000	Percent Change
Total Population	23,928	33,556	29%
Population 55+	3,155 (13%)	5,163 (15%)	39%
Population 65+	1,808 (8%)	2,508 (8%)	28%

Source: 1990-2000 U.S. Censuses.

Indications are that the percentage of elderly residents will increase as residents in their 50s reach retirement age. Since the elderly population is increasing, this indicates that Morgan Hill is able to provide a variety of housing choices for seniors, housing remains affordable, and the community is a desirable place to retire.

In 1990, the incidence of poverty was slightly higher among the population over 65 years of age (5 percent) than it was for the population between the ages of 18 and 64 (4 percent). The poverty rate among seniors was well below the countywide and statewide rates. However, the 1990 Census reports that nearly 75 percent of persons over the age of 65 had very low or low incomes. One hundred and ninety-two persons over the age of 65 received public assistance in 1990. That same year, 99 homeowners age 65 and older paid 30 percent of their incomes or more on housing. This represented 24 percent of all elderly homeowners. By comparison, 43 percent of non-elderly homeowners paid 30 percent or more of their income on housing. Approximately 83 percent (165 renters) of elderly renters paid 30 percent or more of their income on housing. By comparison, 43 percent of non-elderly renters paid 30 percent or more of their income on housing. Thus, elderly renters as a group had a higher incidence of overpayment, and more senior renters than homeowners overpaid for housing in 1990. This was due to high long-time ownership rates among seniors and high rental costs for senior care living



facilities.

Tenure is important when analyzing the needs of seniors. The percentage of seniors living in owner-occupied housing was 78 percent according to the 1990 Census, compared to 72 percent of the population at large. Because many senior citizens live on fixed-incomes some are likely to face difficulty with the costs of major home repairs. In combination with mobility limitations or the need for supportive services (such as medical or meal assistance), it can become very challenging for the elderly to adequately meet their housing needs. A more senior population living in an aged housing stock leads to a need for rehabilitation programs for existing units, as well as the creation of affordable senior housing units.

### **Available Senior Housing**

There is some housing for younger seniors who might otherwise sell their family homes to relocate into smaller homes with less maintenance requirements. There are a number of facilities in the City that offer institutionalized care; however, many of these facilities have extensive waiting lists. There are a variety of facilities that offer independent living for seniors, including two senior ownership communities and seven senior rental complexes. There is only one low-income senior complex; however, seniors must participate in an application process to qualify. This process can often take more than a year to complete. As a result, many seniors may opt to remain in their homes rather than relocate.

The City of Morgan Hill adopted the Mobile Home Rent Stabilization Ordinance to encourage stability in mobile home rent increases in a manner that is fair to both tenants and property owners. Under this ordinance, rents may be increased once every 12 months by a maximum of 75 percent of the Consumer Price Index for the previous 12 months. Rents may not be increased by more than 8 percent without approval from the Mobile Home Rent Stabilization Commission. Mobile home spaces that are owner-occupied or leased for periods greater than 12 months are not covered by this ordinance; therefore, not all spaces within these mobile home parks are subject to the ordinance. There are seven mobile home parks in Morgan Hill: Acacia Associates, Alpine Motel, Hacienda Valley, Madrone, Northwind, Windmill, and Woodland. Together, the seven mobile home parks offer 810 spaces in the City, of which 484 are covered by the ordinance. Hacienda Valley, Windmill, and Woodland provide senior mobile home units. These three mobile home parks offer 541 spaces, of which 234 spaces were covered by this ordinance in 1999. This ordinance stabilizes mobile home rent increases so that seniors and others renting mobile home spaces are better able to afford these units and prepare for potential rent increases.

One common special need for a portion of the elderly is for assisted living facilities that combine meal, medical, and daily living assistance in a residential environment. There are four State Department of Social Services licensed elderly residential care facilities in Morgan Hill. Valley Pines is licensed for 49 residents, Villa Amor is licensed for six persons, Villa Heights is licensed for 15 persons, and Villa Rose offers services for 15 persons. In addition, Project Match of San Jose matches seniors together for senior shared housing, which reduces housing costs for seniors with fixed incomes. According to the City of Morgan Hill's senior housing listing for 2001, the following housing complexes offer residential care or rental units for seniors in Morgan Hill:

<b><u>Development</u></b>	<b><u>Type</u></b>
• Buena Vista Heights	Senior Housing
• Cottage Greens	Rentals
• Hacienda Mobilehome Estates	Rentals
• Hillview Convalescent Hospital	Residential Care
• Las Casas De San Pedro	Rentals (10 one-bedroom, 54 two-bedroom)
• Pacific Heights Manor	Residential Care
• Ross Care Heights	Residential Care
• Ross Care Terrace	Residential Care
• Shadowbrook Gardens	Rental cottages (21 one-bedroom and 6 two-bedroom)
• Sycamore Glen	Low-Income Rentals (6 studios and 13 one-bedroom)
• Valley Pines Retirement Inn	Residential Care
• Villa Teresa Apartments	Rentals (28 one-bedroom and 2 two-bedroom units)
• Windmill Mobilehome Park	Rentals
• Woodland Mobilehome Estates	Ownership-Senior Community

Morgan Hill will remain an attractive place to live for families seeking to purchase homes in Santa Clara County. These new residents are primarily affluent young families with school-aged children. They want to purchase homes in the community but the available housing stock is limited because many of the current homeowners are seniors who have little alternative housing options in the community once they sell their homes. As a result, many seniors may delay the decision to sell their homes, reducing turnover in the local housing market and opportunities for new families to move to Morgan Hill.

Many of the seniors who might consider selling their home are younger, active seniors who do not yet require institutional, nursing care. There is a need in the community to provide high-quality, independent living senior housing that provides on-site nursing care and individual living units. Because many seniors desire to “downsize” when they move, these senior housing developments will necessarily be higher density projects with on-site supportive services. An increase in this type of available housing for seniors makes it possible for them to sell their homes and remain in the community.

## **Disabled Citizens**

The City of Morgan Hill estimates there are 117 disabled residents living in the City (City of Morgan Hill, 2001). However, the 1990 Census estimated that approximately 3 percent of the City’s non-institutionalized residents (624 persons) have physical conditions that affect their ability to live independently in conventional residential settings. These individuals have mobility impairments, self-care limitations, or other conditions that may require special housing accommodations or financial assistance. Four hundred and two persons, or 3 percent, between the ages of 16 and 64 had mobility and/or self-care limitations. Approximately 222 persons over age 64 had mobility and/or self-care limitations.

While many of these individuals may not have limitations that are severe enough to be defined as disabling, individuals with such physical challenges can have a number of



special housing-related needs that distinguish them from the population at large. Individuals with mobility difficulties (such as those confined to wheelchairs) may require special accommodations or modifications to their homes to allow for continued independent living. Such modifications are often called "handicapped access."

Individuals with self-care limitations (which can include persons with mobility difficulties) may require residential environments that include in-home or on-site support services, ranging from congregate to convalescent care. Support services can include medical therapy, daily living assistance, congregate dining, and related services. Individuals with developmental disabilities and other physical and mental conditions that prevent them from functioning independently may require assisted care or group home environments. Individuals with disabilities may require financial assistance to meet their housing needs because a higher percentage are low-income than the population at large, and their special housing needs are often more costly than conventional housing.

Some people with mobility and/or self-care limitations are able to live with their families to assist in meeting housing and daily living needs. A segment of the disabled population, particularly low-income and retired individuals, may not have the financial capacity to pay for needed accommodations or modifications to their homes. In addition, even those able to pay for special housing accommodations may find them unavailable in the City.

Disabled persons often require special housing features to accommodate physical limitations. Some disabled persons may have financial difficulty due to the cost of having their special needs met or due to difficulty in finding appropriate employment. Although California Administrative Code Title 24 requires all public buildings to be accessible to the public through architectural standards such as ramps, large doors, and restroom modifications to enable handicap access, not all available housing units have these features.

Many persons with disabilities can benefit from a residential environment that provides supportive services in a group setting. Although there are no city-based agencies serving the disabled, San Andreas Regional Center is a community-based California state-funded program designed to serve persons with a developmental disability, as required by the Lanterman Developmental Disabilities Services Act. The Center is a private, nonprofit corporation under contract for provision of services through the State Department of Developmental Services. San Andreas Regional Center serves the four-county area of Monterey, San Benito, Santa Clara and Santa Cruz. In addition, Housing for Independent People is an organization in San Jose that places and provides housing for people with special needs. Villa Ciolino in Morgan Hill offers two ADA units.

## **Female Heads of Households**

Most female-headed households are either single elderly women or single mothers. Traditionally, these two groups have been considered special needs groups because their incomes tend to be lower, making it difficult to obtain affordable housing, or because they have specific physical needs related to housing (such as child care or assisted living support). Single mothers, in particular, tend to have difficulty in obtaining suitable, affordable housing. Such households also have a greater need for housing with convenient access to child-care facilities, public transportation, and other public facilities and services.



According to the 2000 Census, approximately 1,200 of the City's 10,846 households are female-headed households, or approximately 11 percent of all households in Morgan Hill. According to the 1990 Census, 124 of the City's female-headed households with children under age 18 are classified as living below the poverty level. This figure does not include the 25 female-headed households living below the poverty level without children. These 124 households with children account for 57 percent of the total 217 families below poverty in the City and 25 percent of the total female-headed families. It may be assumed that most of these households are overpaying for housing (i.e. more than 30 percent of their income), or are experiencing other unmet housing needs. As a result of poverty, female heads of households often spend more on immediate needs such as food, clothing, transportation, and medical care, than on home maintenance, which results in living units falling into disrepair.

## **Large Families**

Large families (usually defined as family households with five or more persons) can have difficulty securing adequate housing due to the larger number of bedrooms they need (three or more) to avoid overcrowding. It becomes even more difficult when large families try to find adequate rentals within their budget, because rentals typically have fewer bedrooms than ownership housing. Low-income large families typically need financial assistance in Santa Clara County to secure affordable housing that meets their space needs.

Although 2000 Census data on household size is not available, the Claritas 2001 Demographic Snapshot for Morgan Hill estimates household size based on a combination of 1990 and 2000 household and population data and growth ratios. Claritas' 2001 estimates there are nearly 14 percent or approximately 1,524 households of five or more persons in Morgan Hill, an increase from the 1,194 large households represented in the 1990 Census. Of the large households in 1990, 1,187 were large families and the remaining seven were non-family households. Large households occupied approximately 15 percent of owner-occupied units and 16 percent of renter-occupied units. According to the 2000 U.S. Census, the median household size is 3.1 people per household, whereas the Department of Finance estimates 3.2 persons per household (Department of Finance 2001). At the time of the 1990 Census, the largest number of households had only two persons (2,333 out of 7,858). The next largest group was four person households (1,572 out of 7,858) and following closely behind was three person households (1,502 out of 7,858), similar to Claritas' 2001 estimates.

The City contains more housing units with four or more bedrooms (32 percent) than the number of large households with the need for multi-bedroom dwelling units. There is an adequate supply of dwelling units to meet the space needs of large families. Few of these larger homes are affordable to low- or moderate-income large families, however. In 2000, \$12,274,107 was used for the rehabilitation of Village Avante, which provides 65 rental units suitable for large families. These units fall within very low- and low-income rent limits.

## **Farm Workers**

According to the 1990 Census, 373 persons (3 percent) were employed in farming, forestry, and fishing occupations of a total labor force of 12,311 in Morgan Hill. The EDD includes farm workers, nursery workers, delivery truck drivers for produce and flower,

horticulturists, landscapers, tree trimmers, and lawn gardeners in this category. Although the City itself does not have a large farmworker population, Morgan Hill is located in area of southern Santa Clara County with significant agricultural activities. The City does not have a significant need for seasonal housing for persons employed in agricultural work, but year round residents employed in agriculture are likely to have lower incomes and find it difficult to obtain affordable housing. Farmworker families, in particular, will likely have the greatest unmet housing needs, given their significantly lower incomes. As a result, they have a higher probability of being impacted by substandard housing conditions and overcrowding.

To address this need, the Morgan Hill, Gilroy and Santa Clara County partnered with South County Housing to construct the John Boccardo Living Center. The Center, which is operated by Emergency Housing Consortium, provides 18 transitional and 8 shelter units for farmworker families and to meet general winter emergency shelter needs. In addition, the City's affordable housing program, in association with non-profit housing providers, has been able to develop in excess of 80 percent of the assigned RHND allocation for very low income persons; the category that would best meet the needs of this type of worker. Also, the City allows employee housing for six or fewer persons by right in its residential districts.

## **Homeless**

Homelessness is caused by a number of social and economic factors, including a breakdown of traditional social relationships, unemployment, shortage of low-income housing, and the deinstitutionalization of the mentally ill. A homeless person lacks consistent and adequate shelter. Homeless persons can be considered resident (those remaining in an area year-round), or transient. Emergency and transitional shelters can help to address the needs of the homeless. Emergency shelters provide a short-term solution to homelessness and involve limited supplemental services. In contrast, transitional shelters are designed to remove the basis for homelessness. Shelter is provided for an extended period of time, and is combined with other social services and counseling, to assist in the transition to self-sufficiency.

The nature of the homeless population makes exact counting difficult. The 1990 Census found no "visible" persons living on the streets and no people in homeless shelters. However, Census counts are not generally accepted as an accurate reflection of homelessness. Because the homeless move around and are not always visible on the street, it is difficult to get an accurate count of homeless persons in a community. Discussions with social service organizations and others dealing with emergency housing and the homeless on a daily basis reveal that there are homeless in the area. Many employed people live out of cars, tents, or continuously transition from place to place because they cannot afford the initial costs of a rental unit. The Police Department does not track the number of homeless in Morgan Hill, however, local shelters estimate that there are approximately 80 homeless persons in the City of Morgan Hill and 20,000 homeless persons in Santa Clara County.

## **Agencies Offering Homeless Assistance**

The fiscal year 2000-2001 Community Development Block Grant Budget provides \$2,300 to Catholic Charities for their ombudsman program, \$3,300 to Operation Brown Bag, and \$11,767 to the Emergency Housing Consortium Winter Homeless Shelter. The



City offers one homeless shelter program at La Isla Pacifica Shelter for Battered Women and Their Children, operated by Community Solutions for Children, Families, and Individuals. This shelter was granted \$15,000 in RDA 20% Set-aside funds in fiscal year 2000/2001. La Isla Pacifica provides battered women and their children with 24-hour crisis intervention, counseling and support, legal advocacy, and emergency assistance, including a 15-bed shelter. Those seeking help are able to use the shelter for a 45-day period. On average this program provides shelter service to ten Morgan Hill women and their children; counseling service to 20 residents; and emergency assistance to 35 individuals. Community Solutions for Children, Families, and Individuals provides behavioral healthcare services, prevention and education services for homelessness and pregnancy cases, and community counseling services such as foster care, literacy, and employee assistance. Although these services are not intended specifically for homeless individuals and families, homeless persons often avail themselves of food and clothing closets that help the poor. St. Catherine's Church and the Assembly of God Church offer food bag assistance and Catholic Social Services and Community Solutions provide emergency/crisis assistance. There are organizations in surrounding cities that serve the needs of Morgan Hill residents, such as the San Jose Salvation Army (food/rent), The Lord's Table of Gilroy (hot meals), Second Harvest Food Bank of San Jose (food), and Sacred Heart Community Service of San Jose (limited rental assistance, non-Section 8). In addition, there are a number of organizations that help people find affordable housing, such as Bridge Housing Corporation of San Francisco, Community Housing Developers of San Jose, Emergency Housing Consortium of San Jose, and First Community Housing (affordable housing in the Bay Area). Homesave, a collaboration of seven agencies in Santa Clara County, is building transitional housing for battered women and children leaving shelter service. The transitional housing helps victims become independent and able to afford future housing. The City of Santa Clara hosts the first transitional housing development. The 24-unit shared housing development is the first of four transitional housing developments planned for Santa Clara County, with future developments planned for San Jose, North Santa Clara County, and South Santa Clara County.

### *Emergency Housing Consortium of Santa Clara County*

In fiscal year 2000-2001, the City of Morgan Hill contributed \$11,767 in Community Development Block Grant (CDBG) funds to the Emergency Housing Consortium in order to provide shelter and services for 80 homeless residents of Morgan Hill. The funds contributed to 7,500 nights of shelter, in addition to housing assistance programs, health care, transitional services, and other needed services for the homeless of the City. Their most successful program is the Transitional Housing Program (THP). This program enables a person to obtain a job and eventually achieve independence in a conventional housing environment. Under THP, a person with a job is entitled to a cubical with a bed for \$200 per month for up to 3 months. Another program, The Working Man's Program, grants individuals who are employed a bed for up to 30 days while they seek permanent housing.

Other Consortium programs include the New Start Program, which helps homeless individuals obtain employment, and the Waste Management Program, which gives people a job with the Waste Management Department for the City of San Jose. Under these programs, participating individuals are guaranteed beds at a cost of one-third of their paychecks, with the potential to move into transitional housing. Currently the single person capacity is 125 for the spring and summer season.



During the winter, the capacity can increase to 250 to 300 beds, including floor mats. There are also rooms available for families that have sufficient income to qualify. Lastly, the Consortium offers a Volunteer program through its facility, which in return guarantees a room for 30 days. The Emergency Housing Consortium has shelters and programs located in Sunnyvale, Santa Clara, San Jose, San Martin and Gilroy.

During the 2000/2001 fiscal year, the Consortium plans to provide 80 homeless persons in Morgan Hill 7,500 nights of shelter. The Consortium's goal is to provide 70 percent of their case managed clients with stable housing in 2000/2001. They were 100 percent successful in fiscal year 1999/2000 and 87 percent successful in fiscal year 1998/1999 (Emergency Housing Consortium, 2001).

### *San Jose Family Shelter*

This facility provides overnight rooms and meals for families with children for stays of up to three months. The Program can accommodate 35 families (143 people). There are currently 33 families occupying 35 rooms. A case manager helps each family with its individual circumstances.

## **MORGAN HILL HOUSING PROFILE**

In 2000, nearly two thirds of the City's housing units were single-family detached homes (64 percent), followed by single-family attached units (13 percent), multiple units of five or more (9 percent), mobilehomes (8 percent), and multiple units of two to four (6 percent). Countywide, there is a substantially higher percentage of housing units in multi-family buildings and a lower percentage of single-family homes than in Morgan Hill. By comparison, the proportion of different types of housing countywide remained constant between 1990 and 1999—56 percent single detached houses, 25 percent multiples of five or more units, 9 percent single attached houses, 8 percent multiples of two to four units, and 4 percent mobilehomes.

Annual changes in the housing stock fluctuated between 1990 and 2000 with slow growth between 1991 and 1995, and more rapid growth between 1995 and 2000. Most new residential construction comprised single-family homes, with 1,799 houses added since 1990 (26 percent increase). However, the highest growth rate occurred among attached single-family homes (29 percent). Tables 9 and 10 show the annual changes in the housing stock between January 1990 and January 2000 as determined by the California Department of Finance.

According to the Morgan Hill Building Division, 76 single-family dwelling unit permits and four multi-family dwelling unit permits were issued in the City as of August 2001. The August status report for housing permit approvals revealed that there were 677 units currently under construction, of which 457 were single-family units, 82 were single/multi-family units, and 138 were multi-family units. In addition to the projects under construction as of August 10, 2001, 430 units were in review or were approved and had not commenced construction.

**Table 9**

Housing Estimates for the City of Morgan Hill (1990 through 2000)

Year	Housing Units								Persons Per Household
	Total	Single		Multiple		Mobile Homes	Occupied	% Vacant	
1990	8,157	5,003	958	553	791	852	7,808	4.3	3.0
1991	8,475	5,294	960	573	796	852	8,112	4.3	3.0
1992	8,603	5,412	970	573	796	852	8,235	4.3	3.0
1993	8,717	5,454	1,026	576	809	852	8,344	4.3	3.0
1994	8,829	5,526	1,065	582	804	852	8,451	4.3	3.0
1995	8,988	5,627	1,123	582	804	852	8,603	4.3	3.1
1996	9,284	5,935	1,123	594	780	852	8,886	4.3	3.1
1997	9,531	6,098	1,190	598	793	852	9,122	4.3	3.2
1998	9,951	6,324	1,286	620	869	852	9,524	4.3	3.2
1999	10,306	6,545	1,286	658	965	852	9,864	4.3	3.2
2000	10,701	6,802	1,356	676	1,015	852	10,242	4.3	3.2
2001	11,260	N/A	N/A	N/A	N/A	N/A	11,011	2.2	N/A

Source: California Department of Finance, 1990-2001 City/County Population and Housing Estimates.

**Table 10**

Housing Estimates for Santa Clara County (1990 through 2000)

Year	Housing Units								Persons Per Household
	Total	Single		Multiple		Mobile Homes	Occupied	% Vacant	
1990	540,240	303,212	47,668	42,096	126,338	20,926	520,180	3.7	2.8
1991	543,532	304,332	47,956	42,167	128,155	20,922	523,532	3.7	2.8
1992	547,884	305,447	48,210	42,407	130,972	20,848	527,541	3.7	2.8
1993	551,584	306,578	48,872	42,507	132,779	20,848	531,107	3.7	2.9
1994	555,429	308,364	49,060	42,699	134,628	20,678	534,729	3.7	2.9
1995	559,010	310,242	49,423	42,742	135,984	20,619	538,094	3.7	2.9
1996	562,352	312,166	49,423	43,018	137,126	20,619	541,406	3.7	2.9
1997	566,164	314,649	49,531	43,225	138,141	20,618	544,358	3.8	3.0
1998	573,593	318,463	49,725	43,594	141,193	20,618	551,516	3.8	3.0
1999	581,532	322,454	49,839	43,760	144,861	20,618	559,166	3.8	3.0
2000	589,010	325,874	50,045	44,062	148,411	20,618	566,188	3.8	3.0
2001	584,068	N/A	N/A	N/A	N/A	N/A	570,495	2.3	N/A

Source: California Department of Finance, 1990-2001 City/County Population and Housing Estimates.



## Housing Occupancy and Tenure

Of the 10,701 year-round dwelling units reported by the Department of Finance, 10,242 units (96 percent) were occupied and 459 units (four percent) were vacant in 2000. However, 2000 Census reports show that 245 units in Morgan Hill were vacant (Table 11). In 2000, more housing units were owner-occupied (72 percent) than renter-occupied (28 percent). By comparison, the tenure of occupied housing units in the County was 60 percent owner-occupied units and 40 percent for renter-occupied units.

## Rental Availability

Rental availability in Morgan Hill is low, with a rental vacancy rate of 2.6 percent. The low vacancy rate means that there are limited housing choices for residents who cannot afford to purchase a home in Morgan Hill. A 5 percent rental vacancy rate is considered necessary to permit ordinary rental mobility. With a 2.6 percent vacancy rate tenants have difficulty locating appropriate units in Morgan Hill. Although there are many rent controlled units made available to low- and moderate-income residents, the strong market pressure has inflated non-controlled rents beyond the reach of the very low-, low-, and moderate-income Morgan Hill residents.

**Table 11**

Type of Vacant Units in Morgan Hill (2000)

Unit	Number of Units in City	Number of Units in County	Percent of City Vacant Units*	Percent of County Vacant Units*
For Rent	81	4,255	33%	32%
For Sale Only	49	1,575	20%	12%
Seasonal	34	2,505	14%	19%

Source: 2000 U.S. Census.

\*Note: Percentage totals do not equal 100, as units that are vacant yet unavailable for any type of occupancy are not listed by the Census.

Analysis of tenure by ethnicity for 1990 (2000 tenure by ethnicity is not yet available) in Table 12 reveals that most homeowners and renters in Morgan Hill and Santa Clara County are White. The results are largely a function of population distribution, as Whites comprise the largest percent of the population.



**Table 12**

Tenure by Race and Hispanic Origin (1990)

Race	Morgan Hill	Percent	Santa Clara County	Percent
<b>Owner Occupied Units</b>				
White	4,619	83%	225,224	78%
Black	57	1%	5,926	2%
Native American	35	1%	1,057	<1%
Asian/Pacific Islander	269	4%	41,184	14%
Others	0	0%	19,834	4%
Hispanic Origin	603	11%	13,148	5%
<b>Renter Occupied Units</b>				
White	1,436	65%	131,173	69%
Black	21	1%	11,657	6%
Native American	32	1%	1,254	<1%
Asian/Pacific Islander	27	1%	26,812	14%
Others	6	>1%	222	<1%
Hispanic Origin	703	32%	19,612	10%

Source: 1990 U.S. Census.

Ownership rates shown in Table 13 reveal that there were more owners in most ethnic groups than renters, with the exception of persons of other races and Hispanic origin. Asian/Pacific Islanders had the highest rate of homeownership, followed by Whites and Blacks. The low homeownership rate among persons of Hispanic origin in Morgan Hill is likely indicative of their lower incomes.

**Table 13**

Homeownership Rates

Race	Owners	Renters	Ownership Rate	Rental Rate
White	4,619	1,436	76%	24%
Black	57	21	73%	27%
Native American	35	32	52%	48%
Asian/Pacific Islander	269	27	91%	9%
Other	0	6	0%	100%
Hispanic Origin	603	703	46%	54%

Source: 1990 U.S. Census.

Analysis of 1990 Census data on tenure by age of householder in Morgan Hill reveals adults aged 45 and over tended to have higher homeownership rates, while younger adults mostly rented rather than owned their homes. With the exception of householders under age 35, between 75 percent and 84 percent of residents of Morgan Hill own their own homes. Even among householders age 25 to 34, over half (52 percent) are homeowners. This is an exceptionally high homeownership rate for this age group compared to countywide and statewide trends.

Of all owner occupied housing in 1990, most were owned by homeowners between the ages of 25 and 54 (Table 14). Those within the 45 to 54 age group had the highest rate of ownership at 84 percent followed by those age 55 and over at 78 percent. Not surprisingly, few persons age 15 to 24 owned housing units, just as few seniors age 75 and over rented housing units in Morgan Hill.

**Table 14**

**Tenure by Age of Householder (1990)**

Age	City	Percent	County	Percent
<b>Owner Occupied Units</b>				
15 to 24	36	1%	2,362	1%
25 to 34	882	16%	49,309	16%
35 to 44	1,750	31%	76,171	25%
45 to 54	1,461	26%	68,348	22%
55 to 64	606	11%	52,383	17%
65 to 74	508	9%	37,007	12%
75 and over	340	6%	21,744	7%
Total	5,583	100%	307,324	100%
<b>Renter Occupied Units</b>				
15 to 24	138	6%	21,291	10%
25 to 34	799	36%	82,729	39%
35 to 44	583	26%	51,615	24%
45 to 54	286	13%	23,776	11%
55 to 64	183	8%	13,288	6%
65 to 74	142	6%	10,336	5%
75 and over	94	4%	9,821	5%
Total	2,225	100%	212,856	100%

Source: 1990 Census.

## Housing Rehabilitation and Replacement Needs

A majority of homes in the City of Morgan Hill were constructed between 1970 and 2000 as shown in Table 15 below. Therefore, there are few homes in Morgan Hill in substandard condition. The recent surge in housing costs in the City has resulted from an increase in housing demand and provides an incentive for property owners to maintain and improve their homes. Homes in need of repair are often occupied by lower-income homeowners, including seniors, who cannot afford to repair or properly maintain their homes. When purchased, these homes are quickly rehabilitated, thereby resulting in a reduction in the number of homes in substandard condition. Less than 10 percent of Morgan Hill's housing stock (fewer than 1,000 dwelling units) needs deferred maintenance or rehabilitation (including older mobilehomes), while less than 1 percent is in need of replacement.



## Redevelopment Efforts in the Project Area

According to Roger Malech of Seville-Contempo Properties (Personal communication, August 30, 2001), the majority of housing in Morgan Hill is in good condition, not in need of extensive rehabilitation. There are areas within the central portion of Morgan Hill; however, where significant rehabilitation may occur. The City has focused its efforts on rehabilitating the redevelopment project area, thereby improving those substandard homes.

The Redevelopment Agency has established a Redevelopment Plan for the central area of Morgan Hill (Figure 5). According to the Redevelopment Agency's Implementation Plan established in December 1999, redevelopment efforts include structural restoration, commercial enhancement, infrastructure improvements and other efforts to improve the quality of life and land use patterns in the area. The Plan also includes efforts to provide affordable housing. Between 1995 and 1999, 855 housing units were constructed or replaced within the redevelopment area. Approximately 183 of these units were very low-income and 153 were low/moderate-income units. The development of these units exceeded the RDA 15 percent affordability goals by 131 very low-income units and 163 low/moderate-income units. According to the 1999 Plan, only 1,019 new homes may be built between 2000 and 2004 due to RDCS limitations, of which 560 are anticipated within the redevelopment project area. The Plan estimated that 183 very low-income units and 193 low/moderate-income units will be constructed in the redevelopment project area between 2000 and 2004. Projections for 2005 through 2009 estimate 1,150 homes will be built or restored in the redevelopment project area, of which 69 units would be very low-income and 104 units would be low/moderate-income.

According to the Redevelopment Agency's Implementation Plan, Housing Set Aside Projections for 2000 through 2004 estimate \$13,987,820 will be available for housing rehabilitation loans (30 percent or 190 loans), senior housing and mobilehome repair grants (15 percent or 300 loans), below market rate housing (5 percent of loans), and new development/major rehabilitation/special programs (50 percent or 200 projects).

The Redevelopment Agency administers a variety of programs/projects to increase and preserve the supply of affordable housing in the community. With regard to rehab loans and grants, the Agency offers the single family ownership and multi-family rental housing rehabilitation program, paint and lead paint abatement grant program, senior housing repair and mobile home repair programs (SHRP & MHRP). The SHRP and MHRP provide funds to correct health and safety problems such as roof replacements, replacing old water heaters, and replacing dry rot. The Agency also contracts with non-profit developers to build new affordable units or to rehabilitate older units in town. In addition, the Agency also administers the City's Below Market Rate (BMR) programs and Community Development Block Grant (CDBG) programs, which provide low cost housing and program funding, respectively.

**Figure 5**

**Morgan Hill Redevelopment Project Area**



Source: City of Morgan Hill, Public Works Department, 1998.



**Table 15****Age of Morgan Hill's Housing Stock**

<b>Year Structure Built</b>	<b>Total</b>	<b>Total Occupied</b>	<b>Renter Occupied</b>
1991-2000	2,544	N/A	N/A
1980-1990	2,896	2,752	752
1970-1979	3,645	3,548	839
1960-1969	733	695	270
1950-1959	312	285	85
1940-1949	305	275	125
1939 or earlier	266	253	154
<b>Total</b>	<b>10,701</b>	<b>7,808</b>	<b>2,225</b>

Source: 1990 Census, and California Department of Finance, 1990-2000 City/County Population and Housing Estimates.

**Overcrowded Households**

Another indicator of housing need is the percentage of households living in overcrowded conditions. Most housing analysts define overcrowding as more than one person per room, excluding bathrooms, hallways, and service areas.

Morgan Hill had a relatively low incidence of overcrowding in 1990—531 households (7 percent) were overcrowded. By comparison, Santa Clara County had an 11 percent overcrowding rate. Overcrowding in Morgan Hill occurred more often in rental housing (17 percent) than owner-occupied housing (3 percent). There were 369 overcrowded rental units and 162 overcrowded owner-occupied units.

The low percentage of large families combined with the low incidence of overcrowding indicates that there is not a large proportion of the population living in overcrowded conditions. However, overcrowding is a significant problem among large families, mostly those of Hispanic origin, who cannot afford adequate housing of sufficient size to meet their needs.

**Housing Costs****Home Prices**

Recent trends in home prices in Morgan Hill and in Santa Clara County show a dramatic increase in median home prices in the area. Sales of existing homes in California in the second quarter of 2001 posted a 7.5 percent increase and the median home price rose to \$258,110 (California Association of Realtors August 13, 2001). Morgan Hill's median home price for the month was \$475,000, a decrease of 9.1 percent from sales prices in July 2000. The California Association of Realtors lists the median housing prices for the County as of July 2001 as \$462,000. The median sales price in July increased by 3.4



percent in the County as compared to July 2000. Compared with California and the rest of the country, fewer households in Santa Clara County – 29 percent in 1998 – can afford to purchase the median-priced home. Housing affordability was actually lower in 1990 (as measured by the percentage of households that can afford the median-priced home); increasing during the economic downturn of the early 1990s, but declining again in recent years. Prices are likely to fluctuate based on economic and social events; however, the figures represented here reflect the trends occurring when this analysis was prepared.

Table 16 lists prices of homes for sale as of October, 2001. The listing comes from Shanna Boigon of Coldwell Banker Real Estate. Most homes for sale have three or four bedrooms. There were 20 listings for townhomes/condominiums in Morgan Hill during the month of October. According to Roger Malech (Seville-Contempo Properties August 30, 2001), home prices range from the low \$400,000 to well over \$1,000,000. Between June 1 and August 30, 2001, 106 homes were sold in Morgan Hill with an average price between \$400,000 and \$600,000. Only four homes sold for over \$1,000,000 and only 20 homes sold for under \$400,000. Very few new custom homes in the higher end cost ranges are being constructed. Only 23 new homes were on the market as of August 30, 2001 and they range in price from \$439,950 to \$4,000,000.

**Table 16**

**Home Prices in Morgan Hill (2001)**

	<b>Bedrooms</b>	<b>Units for Sale</b>	<b>Median</b>	<b>Average</b>	<b>City Range</b>	<b>% of Total</b>
<b>Single Family Homes</b>						
	2	7	\$339,000	\$316,857	\$245,000-\$375,000	3%
	3	49	\$458,000	\$510,010	\$339,000-\$1,349,000	20%
	4	95	\$629,000	\$688,415	\$419,999-\$1,749,000	39%
	5+	44	\$849,950	\$1,125,835	\$499,000-\$5,000,000	18%
<b>Total</b>	--	195	--	--	--	80%
<b>Condominiums</b>						
	2	14	\$319,000	\$327,857	\$295,000-\$399,500	6%
	3	6	\$344,950	\$356,483	\$335,000-\$404,000	2%
<b>Total</b>	--	20	--	--	--	8%
<b>Mobile Homes</b>						
	2	19	\$155,000	\$145,380	\$39,900-\$239,500	8%
	3+	11	\$137,000	\$144,832	\$89,900-\$239,900	4%
<b>Total</b>	--	30	--	--	--	12%

Source: Coldwell Banker, October, 2001.

Table 17 compares median home prices in the County to other counties in the region between July 2000 and July 2001. Median home prices in Santa Clara County are above average in the region. Therefore, the housing market in Morgan Hill as with the remainder of Santa Clara County is likely to only attract above moderate-income households.

**Table 17**

**Comparative Median Home Prices (2000 - 2001)**

County	July 2000	July 2001	Percent Change between 2000 and 2001
Santa Clara	\$462,500	\$447,500	3.4%
San Mateo	\$520,000	\$470,000	10.6%
Alameda	\$365,000	\$340,500	7.2%

Source: California Association of Realtors, July 2001.

## Rental Rates

The 1990 census data shows rents were higher in the City of Morgan Hill than in Santa Clara County. The median rental costs in Morgan Hill was \$811 in 1990 compared to \$773 in Santa Clara County. This might be caused by the fact that Santa Clara County has a more diverse housing stock with more multi-family units than the City of Morgan Hill. According to the 1990 Census, Morgan Hill's rental stock consists of 47 percent single-family rentals, 29 percent multi-family, non-condominium rentals, 20 percent condominium rentals, 4 percent mobilehome rentals, and less than 1 percent other rentals. In comparison, Santa Clara County's rental stock consists of 49 percent multi-family, non-condominium rentals, 33 percent single-family rentals, 17 percent condominium rentals, 1 percent other rentals, and less than 1 percent mobilehome rentals. Therefore, Morgan Hill's rental stock contains a higher percentage of single-family home rentals than the County, causing the median rental cost for the City to increase as rental rates for houses are typically higher than apartment rental rates.

A recent California Budget Project Report (May 2000) confirms that rental rates far exceed the Fair Market Rent for a two-bedroom apartment in 1999. The Fair Market Rent is a rent level established by the Federal government for participation in various rental subsidy programs, but does not necessarily indicate the average market rents being charged in an area. Fair market rents for the Santa Clara County area in fiscal year 2000 are provided in Table 18 below. For the 40<sup>th</sup> percentile fair market rents for manufactured home spaces in the Section 8 Choice Housing Program, space rents in Santa Clara County are listed at \$1,131 for fiscal year 2000 (Federal Register, April

2001). Rents in Santa Clara County exceed the Fair Market Rent for both one- and two-bedroom apartments (Department of Finance 2000). Rental costs have increased far more than incomes throughout the County (San Jose Mercury News September 2000).

**Table 18**

**Fair Market Rents for Existing Housing in Santa Clara County**

Studio	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
\$1,131	\$1,289	\$1,592	\$2,182	\$2,451

Source: Federal Register, HUD, April 2001.

Rental stock available in Morgan Hill is limited at any monthly rental rate. Table 19 shows the rental units listed locally for rent. Listing varies from month to month, however, the vacancy rate in 2000 was 2.6 percent. Out of 56 listings, 28 were single-family homes/duplexes, 10 were condominiums, and 18 were apartments.

Very few units are available at rates affordable to very low-income individuals or families. Rents currently average approximately \$1,037 for a one-bedroom apartment in Morgan Hill and approximately \$1,289 for a two-bedroom apartment, according to the April Morgan Hill Vacancy Rate Survey. A sample of housing within Morgan Hill revealed that the average two-bedroom home was above \$1,500 per month. Rent for a three-bedroom home was \$2,300 per month, while rents for four-bedroom homes averaged \$3,000 per month. While this sampling shows one-bedroom units fall within the HUD Fair Market Rents for Santa Clara County, units with two or more bedrooms exceed Fair Market Rents on average based on this sample of rental listings.

**Table 19**

**Rental Rates in Morgan Hill (2001)**

Type	1 Bed	2 Bed	3 Bed	4+ Bed
Apartment/4-Plex	\$520-\$1,200	\$443-\$1,895	\$427-\$1,700	\$619-\$1,585
Home/Duplex		\$1,495-\$1,900	\$1,800-\$3,000	\$2,100-\$5,495
Condominium		\$1,400-\$2,095	\$1,900-\$2,350	

Source: City of Morgan Hill Rent Vacancy Survey, 2001, Bayrentals.com, and Apartments.com, August 2001.



## Affordability Trends

### Rental Housing

In 1990, people with very low- incomes had some affordable housing options with about 21 percent of the rental units in the City having rents below 30 percent of their income. People with low incomes had more options than those with very low incomes, as approximately 76 percent of all rental units were affordable to households in this category. There were about 24 percent more rental units available to moderate- and above moderate-income households in 1990. Although 21 percent of the rental units were affordable to very low-income households, availability still suggests a need for housing assistance among the poorest of the community.

Table 20 provides an estimate of the number of affordable rental units at each income level. The percentage of apartments affordable within the low- and moderate-income groups is cumulative and includes the percentage from the previous income group. Also, households of many income levels will often compete for housing in the same price range, so the existence of lower-cost units does not mean that such units are actually available to lower-income households.

**Table 20**

#### Affordability of Rental Housing in Relation to Income 1990

Income Group	Affordable Rent Limit	% of City Rentals	% of County Rentals
Very Low	\$601	Approximately 21%	Approximately 22%
Low	\$962	Approximately 76%	Approximately 47%
Moderate	\$1,443	Approximately 100%	Approximately 100%

Source: 1990 U.S. Census.

Current rental rates in 2001 indicate a dramatic shift in the rental units affordable to very low-, low-, and moderate-income households. Households within these income categories have a difficult time locating appropriate rental units because the 2.6 vacancy rate and the strong market pressure have inflated rents beyond affordability. For example, a person with an income of \$48,350 (a low-income level for a single individual) could spend up to \$1,200 a month on an apartment, which is approximately 30 percent of the individual's income. A survey of apartment rents in the City as of October 2001 revealed that the average one-bedroom unit was \$1,037 per month, which would be affordable to a low-income individual, but unaffordable to a very low-income individual. Based on the Morgan Hill Rent Vacancy Survey, 100 percent of one-bedroom units are affordable to low-income individuals, but only 21 percent of the City's one-bedroom units are affordable to very low-income individuals. Although the economy is slowing in the County and the unemployment rate is increasing, rental rates are still continuing to rise, making adequate rental units unaffordable.

## For Sale Housing

A household can typically qualify to purchase a home that is 2.5 to 3.0 times its annual income, depending on the down payment, the level of other long-term obligations (such as a car loan), and interest rates. In practice, the interaction of these factors allows some households to qualify for homes priced at more than three times their annual income, while other households may be limited to purchasing homes no more than two times their annual incomes. Based on the homes sold in the last year and affordability rates at 3.0 times the annual income of a four-person household, Table 21 shows that there were few homes affordable to four-person households in the very low- low- or moderate-income categories. Most of the homes affordable to these groups were homes with foreclosures placed upon them or mobilehomes. All of the mobilehomes were affordable to moderate-income groups, 93 percent were affordable to low-income groups, and only 33 percent were affordable to very low-income groups. None of the single-family homes/condominiums listed by Coldwell Banker as of October, 2001 were affordable to very low- or low-income households and only three single-family homes/condominiums were affordable to moderate-income households. It is important to note that subsidized housing is not included in this housing affordability analysis.

Because of the lower percentage of lower-income residents in the City, most City residents face fewer financial barriers to homeownership compared to County residents. Although the 1990 Census revealed over half of young adults age 25 to 34 were homeowners, prices have risen over the past 20 years, and it has become difficult for low-income and most moderate-income households to purchase a home, with the exception of a small percentage of older homeowners who have substantial equity in an existing home. To afford ownership of even the least-cost home in Morgan Hill, a low-income household would have to possess accumulated equity in an existing home, or equivalently valued assets that could be converted to cash, of at least \$189,980. A moderate-income household would have to have accumulated assets of at least \$85,220.

According to Roger Malech (Seville-Contempo Properties, August 30, 2001), housing affordability has been a problem in Morgan Hill for a long period of time. However, affordability rates have been improving since November of 2000. Home prices from market fluctuations and high demand levels are the biggest obstacles in providing affordable housing. City programs to increase affordability and home ownership have helped to decrease the problem, but not to a level that eliminates affordability issues.



**Table 21**

**For Sale Units Affordable to Lower-Income Households (2001)**

Income Group	Affordability Level	Homes for Sale	Percent of All Homes for Sale
Very Low-	\$130,500	10	4%
Low-Income	\$208,800	28	11%
Moderate-	\$313,200	33	13%

Source: Coldwell Banker, 2001.

**Lower Income Households Overpaying for Housing**

An important indicator of housing need is the relationship of household income to housing costs. Households should pay no more than 30 percent of their gross incomes for housing costs. This figure is higher for other households because the cost of other necessary goods becomes a smaller percentage of the total income.

According to the 1990 Census, 842 (78 percent) renter households in Morgan Hill with incomes less than \$35,000 per year paid more than 30 percent of their incomes for housing (Table 22). Comparatively, 362 (56 percent) owner-occupied households with incomes less than \$35,000 per year paid in excess of 30 percent of their incomes on housing.

**Table 22**

**Number of Households Paying Over 30 Percent of Income on Housing**

Income	Owners	Renters	Total
Very Low-Income	101	479	580
Lower-Income	261	363	624
Total	362	842	1,204

Source: 1990 Census.

Note: 1990 Census data uses income ranges that do not correspond exactly to the income categories. Therefore, there are people in the lower-income category that actually fall into the moderate-income category and likewise between the very low- and lower-income categories. The numbers in the table include more persons than are actually in those categories.

Further analysis of housing expenditures as a percent of income show that most home owners pay less than 30 percent of their income on housing (Table 23). Renters with income below \$34,999 tend to pay a higher percentage of their income on housing. The majority of people earning \$50,000 or more paid less than 25 percent of their income on housing regardless of whether they rented or owned.



**Table 23****Morgan Hill Housing Expenditure Rate per Income Group**

<b>Income</b>	<b>&lt;\$10,000</b>	<b>\$10,000- \$19,999</b>	<b>\$20,000- \$34,999</b>	<b>\$35,000- \$49,999</b>	<b>\$50,000+</b>	<b>Total Households</b>
<b>Owners</b>						
Under 30%	23%	59%	42%	35%	65%	2,627
30%-34%	0%	0%	10%	8%	15%	583
35%+	77%	41%	48%	57%	20%	1,306
<b>Total Households</b>	<b>82</b>	<b>92</b>	<b>449</b>	<b>554</b>	<b>3,339</b>	<b>4,516</b>
<b>Renters</b>						
Under 30%	7%	4%	36%	68%	98%	1,149
30%-34%	6%	14%	15%	15%	27%	222
35%+	87%	82%	49%	17%	0%	782
<b>Total Households</b>	<b>205</b>	<b>302</b>	<b>569</b>	<b>463</b>	<b>614</b>	<b>2,153</b>

Source: 1990 U.S. Census.

According to the Morgan Hill Draft General Plan EIR (2001), median home prices in Morgan Hill were comparable to prices in San Jose, but less than Santa Clara County in 2000. Unlike other neighboring cities that have priced out moderate-income households, Morgan Hill's average cost home was affordable to moderate-income households in 1995. This is a result of higher incomes in Morgan Hill as compared to Santa Clara County, and RDCS requirements to set-aside below-market housing within RDCS permitting limits to ensure some new housing is affordable to lower-income households.

### Assisted Housing Projects

Assisted housing projects in the City can alleviate the financial hardships low-income households may face. Assisted housing projects are those that offer financial aid or provide extra services for people in need of financial or basic living assistance. There are a variety of programs, each focusing on a specific need or with a specific goal to eliminate unmet housing needs in the community. One multi-family complex in the City currently participates in HUD's Section 8 program (in which Federal funds are used to close the gap between the fair market rent and what lower income households can afford to pay) with 20 units in the program. Sycamore Glen has 20 Section 8 units, it is owned and operated by a nonprofit agency; therefore the 20 units at Sycamore Glen are at low risk of being converted when the contract expires in 2009. The contract for Village Avante, a 112-unit federally subsidized project, was terminated in 1999. The Ecumenical Association for Housing (EAH) purchased and rehabilitated Village Avante in 1999 with \$2.2 million in assistance from the Redevelopment Agency. EAH manages the two-, three-, four-, and five-bedroom units for very low- and low-income households. Income restrictions will expire in 2054. EAH also owns and manages other affordable

housing units in Morgan Hill as discussed in Table 24 below.

There are a number of non-profit organizations providing affordable housing within Morgan Hill. First Community Housing is a private developer that builds affordable housing in San Jose and surrounding areas. They have built 436 low-income residential units, worth more than \$45.8 million. Murphy Ranch in Morgan Hill provides 49 very low-income units, 77 low-income units, and 12 moderate-income units.

South County Housing is also a private nonprofit organization that provides affordable housing in Morgan Hill and surrounding areas. They have created 1,300 single- and multi-family housing units for farmworkers, seniors, seasonal laborers, single parents, low-income families, and the homeless. South County Housing also owns and manages over 700 low-income rental units that house over 3,000 residents throughout the Bay Area. In Morgan Hill, South County Housing owns and manages Skeels Hotel, Crest Avenue Apartments, The Willows, Sycamore Glen, Villa Ciolino, Jasmine Square, Royal Court and Depot Commons. Skeels Hotel provides 13 studio units for very low-income households. Income restrictions for Skeels Hotel are not due to expire until 2050. Crest Avenue Apartments provides 28 two-bedroom units for low-income households and its restrictions are due to expire in 2015. The Willows provides 20 two-, three-, and four-bedroom units to very low- and low-income households. Restrictions on this complex are due to expire in 2047. Sycamore Glen offers 20 low-income, senior units and is subsidized through a Section 8 contract due to expire in 2009. Villa Ciolino offers 40 very low-income and two low-income units and receives partial funding from Federal and State low-income Housing Tax Credits. Jasmine Square replaced 43 substandard units with 72 low income units. Royal Court includes 55 apartment units containing one, two and three-bedrooms and 12 ownership single family detached homes, three of which are market rate units. Forty eight of the units are available to persons of extremely or very-low income and the remainder are low or moderate-income affordable. Finally, Depot Commons offers a dormitory-like living arrangement, with 12 studio bed/bath units, and a shared kitchen and living room to very low-income households. Its contract is due to expire in 2050.

EAH, a nonprofit organization dedicated to the development, management and advocacy of affordable housing, has developed over 2,300 affordable housing units and manages over 2,700 units throughout the Bay Area. In addition to Village Avante as mentioned earlier, EAH developed and manages the Cochrane Village Apartments in Morgan Hill. Cochrane Village Apartments provides 96 one-, two-, three-, and four-bedroom apartments for very low- and low-income households. This project is funded through Housing Revenue Bonds, Santa Clara County CDBG Funds, the Santa Clara County Housing Bond Trust Fund, and a three percent loan from the Morgan Hill Redevelopment Agency.

The Housing Authority has one project in Morgan Hill. It is located on San Pedro and is called San Pedro Gardens. It was developed as a combined family rental and purchase housing project and was completed in October of 1992. There are a total of 36 three-bedroom units with 20 rental units (17 very low and 3 low-income units) and 16 sweat equity units.

Table 24 lists RDA assisted housing projects since 1986. Since 1986, 867 affordable units were made available through these projects. Of that total, 463 are reserved for extremely or very low-income households, 237 are reserved for lower-income



households, and 24 are for median/moderate-income households. The remaining 143 units are predominantly for-sale units and the affordability level varies. The City of Morgan Hill Redevelopment Agency funds most of the City's programs; however, affordable homes are also provided by market developers because they can be more competitive in the RDCS allocation system if they provide a percentage of affordable units within their developments.

**Table 24**

**Morgan Hill RDA Housing Projects (1986-2006)**

<b>Project</b>	<b>Completion Date</b>	<b>RDA Funds</b>	<b>Accomplishments</b>
Preservation Park	1986	\$385,000	8 single-family homes under the BMR first-time homebuyer program.
Jasmine Way Sweat Equity	1989	\$254,000	16 single-family homes under the BMR first-time homebuyer program.
Las Casas de San Pedro	1989	\$175,000	64 senior apartments (33 affordable units which have all expired).
Sycamore Glen	1989	\$300,000	20 very low-income senior apartments.
Walnut Creek	1989	\$50,000	63 units (5 homes under the BMR first-time homebuyer program of which 1 is designated for low-income, 1 for moderate-income and 3 for median income).
San Pedro Gardens	1992	\$825,000	16 sweat equity units and 20 rental units (17 very low and 3 low-income units).
The Willows Apartments	1992	\$73,400	20 apartments of which 6 are very low and 13 are lower income units.
Sunrise Meadows	1994	\$800,000	60 single-family homes under the BMR first-time homebuyer program. 24 units were sweat equity units.
The Bridge	1995	\$70,000	Single shared unit for 6 very low-income persons. The loan is due in 2020.
Depot Commons	1995	\$440,000	3 shared single-family homes for persons with very low-and low-incomes.
Parson's Corner	1995	\$687,370	10 homes under the BMR first-time homebuyer program of which 5 are low-income and 5 are median-income units.
Skeels Building	1995	\$1,400,000	13 very low-income studios located above a commercial development.
Crest Avenue Rehabilitation	1996	\$729,520	28 lower-income rentals due to expire in 2016. Additional funds provided by Federal monies and the County HCD



**Table 24**

**Morgan Hill RDA Housing Projects (1986-2006)**

<b>Project</b>	<b>Completion Date</b>	<b>RDA Funds</b>	<b>Accomplishments</b>
			Rental Rehab Program totaling \$1,160,746.
Del Monte Avenue Rehabilitation	1997	\$180,000	3 lower-income rentals due to expire in 2017. Additional funds provided by CDBG grant of \$60,000.
Cochrane Village/Morgan Hill Ranch Family Housing	1998	\$2,800,000	96 apartments (56 low- and 40 very low-income units).
Village Avante	1999	\$2,180,000	112 apartments (89 very low- and 23 lower-income units).
Villa Ciolino	2001	\$2,375,000	Replaces 21 units, rehabilitates 8, and adds 13 new units. The 42 family rental units consist of 40 very low-income units and 2 lower income units. Partial funding received from Federal and State Low Income Housing Tax Credits.
Hacienda Valley Mobile Estates	2004	\$1,200,000	Assisted in purchase of 166 unit senior mhp. \$1.2 mil. loan for rental assistance for 123 owner-occupied homes by very low income households
Jasmine Square	2004	\$3,250,000	Replaces 23 substandard units with 72 new low income rental units.
Murphy Ranch	2006	\$5,290,000	49 very low-income, 39, low-income, and 12 moderate-income units.
Viale	2006	\$875,000	10 single family detached homes for public school teachers. Qualifying incomes will range from low to moderate.
Royal Court	2006	\$3,750,000	55 apartments units containing 1, 2, and 3 bedrooms and 9 single family units. The family rental units include 12 extremely low income units, 36 very low income and 7 low income. The sale units include 6 low income units and 3 moderate income units.

Source: City of Morgan Hill, 2006.

## Assisted Rental Housing at Risk of Conversion

In 1989, the California Government Code was amended to include a requirement that localities identify and develop a program in their housing elements for the preservation of assisted, affordable multi-family units. Subsequent amendments have clarified the scope of the analysis to also include units developed pursuant to inclusionary housing and density bonus programs. In the preservation analysis, localities are required to provide an inventory of assisted, affordable units that are eligible to convert within ten years. As part of the analysis, an estimation of the cost of preserving versus replacing the units is to be included, as well as programs designed to preserve the affordable units.

The California Housing Partnership Corporation provides an inventory of federally subsidized rental units at risk of conversion. The 2001 update, which identifies units at risk through the year 2020, identifies two HUD-assisted multi-family housing developments with Section 8 contracts in the Morgan Hill. Village Avante, for lower income families, had 13 Section 8 units and 112 assisted units before its contract was acquired by EAH in 1999. Sycamore Glen is now owned by South County Housing, a non-profit organization, that provides 20 Section 8 assisted units for the elderly and handicapped out of a total of 21 units. The contract for Sycamore Glen is due to expire in 2009, but is considered a low-risk project because South County Housing is a non-profit organization interested in acquiring, preserving, and providing affordable housing in the community.

Although not listed on the California Housing Partnership Corporation listing, there are six City assisted projects due to expire within the next ten years. Glen Creek Apartment Homes contains 20 units subsidized for very low- and low-income households and is due to expire in 2008. The remaining five projects are replacement or rehabilitation efforts subsidized for low-income households. The Downtown Replacement Program subsidizes two replacement units due to expire in 2010. The Del Monte Rehabilitation Program subsidizes one low-income unit due to expire in 2011. Two other rehabilitation programs, the Single Family Rehabilitation Program and Coleman Rehabilitation Program, each provide one low-income subsidized unit due to expire in 2005 and 2010, respectively.

Table 25 lists BMR rentals in Morgan Hill and the expiration of their affordability limitation.

**Table 25**

**Below Market Rate Rentals in Morgan Hill**

Complex	Income Category	Unit Size	Date Restrictions Expire
St. James Place (6 units)	Very Low	three-bedroom	2019
La Crosse Village Apartments (5 units of 50 total units)	Very Low	two-bedroom	2019
Rose Haven (6 units)	Very Low Low	three-bedroom four-bedroom	2017
Morgan Springs (1 unit)	Very Low	two-bedroom	2019
Village at Springhill (2 units)	Very Low	two-bedroom	2019
Westmoreland Park (1 unit)	Very Low	two-bedroom	2019
Glen Creek Apartment Homes (20 units of 138 total units)	Very Low units	58 one-bedroom 79 two-bedroom	2008
The Villas I and II (3 units)	Very Low Low	three-bedroom	2018/2021
Downtown Replacement Program (1 unit)	Low	three-bedroom	2010
Bridge (Special Needs Housing, 1 unit)	Very Low	six-bedroom (shared)	2020
Downtown Replacement Program (1 unit)	Low	two-bedroom	2010
Christina Apartments (1 unit)	Very Low	two-bedroom	2013
Downtown Replacement Program (1 unit)	Low	three-bedroom	2013
Del Monte Rehab Program (3 units)	Low	two-bedroom	2017
Single Family Rehab Program (1 unit)	Low	four-bedroom	2005
Coleman Rehab Program (1 unit)	Low	two-bedroom	2010
Wright Ave. Rehab (1 unit)	Low	three-bedroom	2008
Keith Way Rehab (3 units)	Low	two-bedroom three-bedroom	2018



**Table 25**

**Below Market Rate Rentals in Morgan Hill**

<b>Complex</b>	<b>Income Category</b>	<b>Unit Size</b>	<b>Date Restrictions Expire</b>
Nob Hill Terrace Rehab (3 units)	Low	two-bedroom	2018
Silverwings (1 unit)	Very Low	three-bedroom	2021
Skeels Hotel (13 units)	Very Low	studios	2050
San Pedro Gardens (20 units)	Very Low Low	17 two-bedroom 3 three-bedroom	2022
Crest Avenue Apartments (28 units)	Low	28 two-bedroom	2015
The Willows (20 units)	Very Low Low	5 two-bedroom 6 three-bedroom 8 four-bedroom	2047
Terracina I and II at Morgan Hill (148 units)	Very Low Low	34 one-bedroom 66 two-bedroom 46 three-bedroom 2 four-bedroom	2052
Cochrane Village (96 units)	Very Low Low	2 one-bedroom 8 two-bedroom 5 three-bedroom 1 four-bedroom	2052
Murphy Ranch (100 units)	Very Low Low	14 one-bedroom 32 two-bedroom 31 three-bedroom 3 four-bedroom	2052
Depot Commons (12 units)	Low	12 studios	2050
Village Avante (112 units)	Very Low Low	8 two-bedroom 39 three-bedroom 45 four-bedroom 20 five-bedroom	2054
Barrett Oaks (1 unit)	Very Low	three-bedroom	2020
Villa Ciolino (42 units)	Very Low Low	4 one-bedroom 16 two-bedroom 8 three-bedroom	2056
Hacienda Valley Mobile Estates (123 units)	Very Low		2059

**Table 25**

**Below Market Rate Rentals in Morgan Hill**

Complex	Income Category	Unit Size	Date Restrictions Expire
Jasmine Square (72 units)	Low	24 one-bedroom 26 two-bedroom 20 three-bedroom 2 four-bedroom	2060
Royal Court (55 units)	Extremely Low Very Low Low	14 one-bedroom 24 two-bedroom 16 three-bedroom	2061

Source: City of Morgan Hill, 2006.

Note: Not all complexes provided the number of affordable units within their development.

Based on the costs of land, permits, development, and construction (see Non-Governmental Constraints section), the estimated cost per unit to replace affordable rental units in Morgan Hill would be between \$119,464 and \$146,000 per dwelling unit depending on renovation needs, construction needs, location, and other factors. Coldwell Banker listed one multi-family property in the City as of October 2001. The number of units was not listed for this \$2,600,000 property on Crest Ave., but the structure encompasses 13,354 square feet. An Internet search (LoopNet®, 2001) of six multi-family properties for sale in surrounding communities, the cost of acquiring rental units is estimated to be \$150,000 per dwelling unit.

The cost of replacing affordable units will vary, depending on the project density, location, unit sizes, and quality of construction. An affordable housing project, in the range 12 to 16 to dwelling units per acre, could cost between \$120,000 and \$180,000 per dwelling unit (including land and development costs), depending on the square footage and number of bedrooms. A higher density project, in the range of 20 to 25 dwelling units per acre, could cost between \$100,000 and \$155,000 to construct, again depending on density and unit size. These costs assume that a non-profit motivated entity develops the projects.

These costs estimates are for development of new multifamily dwelling units on vacant land, not conversion of existing structures to residential use or development of a mixed-use commercial/residential project.

The cost of providing long-term rental subsidies in lieu of acquiring and replacing affordable units would also be significant. The City has identified 25 rental housing units potentially at risk of conversion through 2011. Table 25A summarizes the estimated cost of providing 30 years of rental subsidies in 2001 dollars. The City selected 30 years as the relevant timeframe for analysis because most local, state, and federal rental housing programs require a minimum affordability period of 30 years. The calculations are based on income levels of 50% of Santa Clara median income for very low-income households and 65% of Santa Clara County median income for low-income households. The targeted income group is based on the occupancy of the at-risk rental units in 2001. Different assumptions regarding the income levels of the occupants of the 25 assisted

units would result in different calculations regarding the necessary rental subsidy.

Based on the assumptions in Table 25A, the 30-year rental subsidy for the 25 at-risk rental units would be \$2.75 million, or \$110,073 per dwelling unit. This cost is lower than the acquisition or replacement cost, but only if the gap between an affordable housing payments and fair market rents does not increase over the 30-year period.

**Table 25A**

**Estimate Rental Subsidy Payments Over 30 Years**

# of Units	Bedrooms	Targeted Income Group	Assumed Household Size	30% of Monthly Income	2001 HUD Fair Market Rent	Monthly Difference	30-Year Estimated Subsidy
5	1	Very Low	2	\$875	\$1,289	\$414	\$745,200
5	2	Very Low	4	\$1,090	\$1,592	\$502	\$903,600
5	1	Low	2	\$1,125	\$1,289	\$164	\$295,200
8	2	Low	4	\$1,405	\$1,592	\$187	\$67,320
1	3	Low	5	\$1,515	\$2,182	\$667	\$240,120
1	4	Low	8	\$1,851	\$3,241	\$1,390	\$500,400
Total Estimated 30-Year Subsidy		\$2,751,840					

## REGIONAL HOUSING NEEDS DETERMINATION (RHND)

ABAG's methodology is based on the regional numbers supplied by the State Department of Housing and Community Development (HCD), these are "goal numbers" and are not meant to match, and often exceed, anticipated growth in housing units. A goal vacancy rate is set by HCD, and then a housing unit need to meet that vacancy rate is derived by assessing potential growth rates (population, jobs, households) and loss of housing due to demolition. The numbers produced by HCD are provided to ABAG in the form of a regional goal number, which is then broken into income categories. ABAG is mandated to distribute the numbers to Bay Area jurisdictions by income categories. ABAG is responsible for allocating the Regional Housing Needs Determination (RHND) goal number to cities and counties in the Bay Area.

The "Regional Housing Needs Determination," was adopted by ABAG in March 2001. This plan covers the period from January 1, 1999 through June 30 2006. Existing need is evaluated based on overpayment (30 percent or more of income) and overcrowding by lower-income households and the need to raise vacancy rates in the jurisdiction to a level at which the HCD market would operate freely.

The methodology used to determine the future need considers the growth in number of households expected, the need to achieve ideal vacancy rates, the need for more housing opportunities, and compensation for anticipated demolition. An "avoidance of



impaction" adjustment was applied to the preliminary allocation figure to avoid further concentration of low-income units in jurisdictions that have more than the regional average.

The RHND allocation is a minimum needs number—cities and counties are free to plan for, and accommodate, a larger number of dwelling units than the allocation. The City must however use the numbers allocated under the RHND to identify measures (policies and ordinances) that are consistent with these new construction goals. While the City must also show how it will accommodate for the units to be built, it is not obligated to build any of the units itself or finance their construction.

According to the RHND, the City of Morgan Hill has a total housing construction need of 2,484 units and an annual need of 331 units. Table 26 shows Morgan Hill's 1999-2006 planning period allocation. It should be noted that 101 of the 2,484 units represent the needs of the unincorporated area within Morgan Hill's sphere of influence, which is the City's responsibility whether or not the City annexes any land between 1999 and 2006. Under the RHND, the City must accommodate 683 additional dwelling units at densities suitable for the development of housing for very low- and low-income households, and 615 additional dwelling units at densities suitable for moderate-income households.

**Table 26**

**Regional Housing Needs Determination (2001)**

<b>Total Dwelling Units</b>	<b>Sphere of Influence</b>	<b>% of Total</b>	<b>Income Level</b>
455	18	18%	Very Low-Income
228	9	9%	Low-Income
615	25	25%	Moderate-Income
1,186	49	48%	Above Moderate-Income

Source: ABAG 1999-2006 Regional Housing Needs Determination.

Between January 1999 and June 2006, City produced or approved for construction a total of 2528 housing units. This exceeds the RHND by 44 units. This production and RHND is shown on Table 27. The number of units added is based on City permit records and Department of Finance estimates. The 391 units authorized for the first half of 2006 include those approved for construction in FY 04-05 or earlier that were not completed in that fiscal year as well as those approved for construction in FY 05-06 that were not completed in 2005. The large number units constructed in the first year of the planning period was due to an exceptional housing market and availability of many units that were approved for construction in earlier years and not constructed until 1999.

Over the planning period, the City was able to produce 405 units available to persons of

very low income. This is approximately 90 percent of the RHND for this income group. The City's production of low income affordable units totaled 390 units or approximately 170 percent of the RHND. For the moderate income group, the City's production was 222 units or approximately 36 percent of the RHND. The affordable units produced include deed-restricted units provided by for-profit housing developers as part of the City's BMR program and units produced by non-profit housing developers using funds that ensure affordability over extended periods of time. Also included are secondary dwelling units and non-deed restricted units that were sold at affordable prices. Included in the production is Village Avante, a 112-unit federally subsidized project for which the affordability restrictions were scheduled to expire in 1999.

Table B-5 provides a detailed listing of all affordable units produced and authorized to be during the 1999-2006 time period. Where applicable, the Table lists the basis for the affordability restrictions. The secondary dwelling units included on the Table do not have affordability restrictions. However, these are typically one or two-bedroom units and less than 1000 square feet in size. Given the size of these units and affordability information contained earlier in this document, it is assumed that these units would be available to persons of low income and have been so listed. Also, a number of single-family attached and condominium units have been listed on the Table as they have been constructed and sold for prices that are affordable to persons of moderate income. Sales prices of those units have been documented. The moderate-income affordability of these units was based on HUD's annual income figures for Santa Clara County and assume four-person households, a 10 percent down payment, and an expenditure limit of 30 percent of the gross monthly income.

**Table 27**

**Units Added, Approved, and Potential to Meet RHND Allocation  
January 1999 to June 2006**

<b>Year</b>	<b>Very Low Income</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>Above Moderate Income</b>	<b>Total (1)</b>
1999 Total	259	97	95	455	906
2000 Total	0	30	14	125	169
2001 Total	41	33	38	107	219
2002 Total	8	31	28	22	89
2003 Total	0	29	6	227	262
2004 Total	0	90	8	155	253
2005 Total	49	68	33	89	239
1999-2005 Total	357	378	222	1180	2137
1999-2006 RHND Allocation	455	228	615	1186	2484
RHND Need for 2006	98	-150	393	6	347
2006 Authorized Production (2)	48	12	0	331	391
1999-2006 Deficit/ (Surplus) (3)	50	0	231	(325)	(44)

(1) Information on total units from the Department of Finance. Information on very low-, low-, and moderate-income units based on City's review of development permit records and deed restrictions associated with BMR and other price/rent-restricted units.

(2) The total number of units includes those that received approval for construction in FY 04-05 or earlier and have not been completed (147) and units approved for construction in FY 05-06 and have not been completed (244). Income levels are based on actual approvals for projects to be constructed in FY 05-06.

(3) Between 1999 and 2006 the City will produce 162 low-income units in excess of the RHND allocation. Those units have been shifted to the moderate-income column to reduce the deficit in this column and create a "zero" surplus in the low-income column.

Source: City of Morgan Hill



## RESOURCES AND POTENTIAL GROWTH AREAS

### Development Patterns and Philosophy

The City of Morgan Hill began as an agricultural community centered around Rancho Ojo de la Coche. Development occurred along the railroad lines, and the City steadily expanded and incorporated in 1906. Post World War II land annexations brought many to Morgan Hill seeking residential developments. When U.S. Highway 101 was opened in the late 1970s, suburban commuting became more popular and the City experienced a population boom. With easy access to surrounding cities, residential developments were dispersed throughout the City. The rapid development caused the City to adopt the Residential Development Control System, a voter initiative, to limit the amount of growth that may occur in Morgan Hill each year. This growth philosophy has continued to be important in guiding the City's future, and there is a desire to maintain and preserve the community created by this philosophy. Since the development pattern was dispersed and did not form a contiguous pattern in the City, there are a significant number of vacant sites where infill development may occur.

### Vacant and Underutilized Land

Morgan Hill encompasses approximately 7,800 acres of land, of which approximately 2,000 (25 percent) are vacant. There are approximately 741 acres of vacant and underutilized residential land available within the City, primarily located on the valley floor. This land could be developed with single-family or high-density residential uses. Residential vacant and underutilized land is summarized in Table 28 by zoning district and parcel size. Tables B-3 and B-4 provide parcel-specific, detailed information on which Table 28 was based.

As shown in Table 28, the City can accommodate approximately 2,500 dwelling units on vacant residential land and commercial properties that permit residences. In addition, underutilized sites have the potential for development of more than 800 additional units. This potential for more than 3,300 units is in addition to the 2528 units that have been authorized to be constructed to meet the RHND through June, 2006. Tables B-3 and B-4 provide a complete listing of the parcels which were included in the summary on Table 28. A map showing the location of the vacant and underutilized parcels is available at the Community Development Department.

The densities assumed for the vacant and underutilized land reflect typical densities of existing development in each zoning category. They account for routine dedications for street widenings and accommodations for storm water retention. These densities are based upon a study of existing Morgan Hill residential developments that was conducted in 1996. A review of more current residential projects indicates that the densities identified in the study continue to be the densities at which current projects are built. These densities are all within the density ranges specified in the General Plan for each residential designation. These assumed densities are shown on Table 28.

All underutilized parcels are developed with one single family house and associated structures. The density calculation for underutilized parcels in single family zones assumes that the existing houses will remain and utilize twice the minimum area allowed for the zoning district. After subtracting for the existing houses, the density assumed for the remainder is the same as that used for vacant parcels. The density calculation for

underutilized multi-family parcels assumed that parcels of one acre or less in size would not be further developed. Parcels larger than one acre were assumed to fully redevelop, including demolition of the existing houses. The density assumed is the same as that used for vacant parcels. This latter calculation involves a total of six parcels.

The inventory of vacant sites within the multi-family and mixed use zones includes many sites which are less than one acre in size. These sites may be more costly to develop on a per-unit basis and therefore less affordable to persons of lower incomes. However, these smaller sites are anticipated to accommodate approximately 100 of the 1,985 units (approximately 5 percent) of the total multi-family units. This is considered an insignificant number, particularly when considering that these potential units are all in addition to the units that will be provided to meet the City's RHND.

The City's current land use patterns do not make it difficult to accommodate the City's share of regional housing needs for very low-, low-, and moderate-income households under ABAG's plan, as there is sufficient land zoned throughout the City for all housing types. Maximum residential densities in the City's residential zones range from one dwelling unit per five acres to 40 dwelling units per acre. The City's potential to accommodate affordable housing could be increased through higher densities than currently permitted along arterial roads (such as Monterey Road), higher densities for housing in commercial zones, and incentives to construct housing in commercial zones (including dwelling units over or behind ground-level commercial structures in the historic downtown district). However, higher densities, by themselves, may not contribute significantly to housing affordability if three-story construction is necessary to achieve the higher density.

**Table 28**

**Vacant and Underutilized Residential Lands by Zoning District (2006)**

<b>Zone</b>	<b>Acreage</b>	<b>Estimated Density (units/acre)</b>	<b>Potential Dwelling Units Under Current Zoning</b>
<b>Vacant Land within City Limits</b>			
RE 100,000	33	0.4	12
RE 40,000	46	0.9	39
R-1 20,000	31	1.75	48
R-1 12,000	87	2.7	227
R-1 9,000	22	3.1	67
R-1 7,000	36	4.0	124
R-2 3,500	93	7.75	685
R-2 3,000	25	9.0	229
R-3	32	17	542
R-4	13	22.9	413
CC-R	10	12	116
<b>Total</b>	<b>431</b>		<b>2502</b>
<b>Underutilized Land within City Limits</b>			
RE 100,000	27	0.4	8
RE 40,000	22	0.9	11
R-1 20,000	131	1.75	225
R-1 12,000	9	2.7	22
R-1 9,000	13	3.1	35
R-1 7,000	82	4.0	314
R-2 3,500	22	7.75	167
R-2 3,000	4	9.0	39
<b>Total</b>	<b>310</b>		<b>821</b>
<b>Grand Total</b>	<b>741</b>		<b>3323</b>

Source: City of Morgan Hill, 2006.

**Commercial Districts that Can Accommodate Affordable Housing**

The City allows multi-family residential use in its CC-R zone. Approximately 10 acres of these commercial lands are vacant. These lands can be further developed to medium/high densities to accommodate affordable housing, depending on the location.



## **Sites with Redevelopment Potential**

Re-use potential in Morgan Hill is prominent within the Ojo de Agua Community Development Area (Project Area). In 1981, plans were adopted for the Project Area to reduce the blight and inappropriate mix of uses in the area. This portion of Morgan Hill consists of the older homes and structures that were constructed over 50 years ago and now form the central portion of Morgan Hill. Since the 1981 a redevelopment plan was adopted, the City was able to improve some aspects of blight. Improvements were made to utilities and services and debris was cleared. Additional services were developed and property owners were given grants/loans to restore their homes. The City accomplished numerous other improvements, but overall blight conditions in the Project Area remained. In May 1999, the Agency and City approved an amendment to the Community Plan for the Ojo de Agua Community Development Project (Plan Amendment). The purpose of the Plan Amendment was to allow the City to continue its efforts to eliminate physical and economic blight in the Project Area. These efforts include the development of much needed community facilities such as a community center, indoor recreation center, library, aquatic center, street improvements, flood control projects, and economic development programs. The combination of improvements and programs will encourage the private sector to invest in the reuse of underutilized properties in the Project Area. The Plan also established an on-going revenue source for the continued development of affordable housing in the community.

## CONSTRAINTS

### NON-GOVERNMENTAL CONSTRAINTS

#### Land Costs

Land costs are a major inhibitor to building in Morgan Hill. According to the California Association of Realtors, housing prices have been stabilizing in the area, and have actually fallen 9 percent from July 2000 to July 2001. This reflects a stabilizing economy in the area, and rather high costs in comparison to other regions of the State. A search of LoopNet® Internet land-for-sale records uncovered one vacant multi-residential property for sale in Morgan Hill. Ten acres of multi-residential land is located on San Pedro Avenue for \$5,875,000. Coldwell Banker had one 0.46-acre residential lot listed for \$225,000. A search of residential land currently on the market resulted in 12 different lots, but without identification as to the size of the property. Prices for vacant land ranged from \$224,950 to \$5,875,000 or about \$500,000 per acre. Land values for residential properties are significantly impacted by whether the property has an allocation under the City's RDCS. Appraisers indicate that residential land without an allocation will be valued on a square footage basis and that land with an allocation will be valued on a per unit basis which results in a substantially higher value per acre (Hulberg and Associates).

Given these high land costs, it is unlikely that increases in density (such as a 25 percent density bonus) would significantly reduce the unit cost of building a dwelling unit to the level of affordability for very low-income persons. The City has implemented a number of redevelopment and other programs to address very low-income housing needs and the additional subsidies that would be needed to increase the feasibility of producing very low-income housing.

#### Construction and Labor Costs

The most significant constraint on development of new housing in Morgan Hill is the overall cost of housing, including land costs and construction costs. Many factors can affect the cost to build a house, including the type of construction, materials, site conditions, finishing details, amenities, and structural configuration. Development costs were developed from estimates provided by Scott Schilling of South Valley Developers.

Permitting costs in Morgan Hill are about \$22,000 for an average size home. The total includes school district fees, building permits, and public works fees.

Raw land in the R-1 zone averages \$250,000 per acre. Once a vacant parcel is purchased, the contractor has to make certain site improvements to prepare for building on the property. Such improvements include connections to existing utility systems, rough grading, and installation of water and sewer lines. This type of work generally costs between \$30,000 to \$35,000 depending on the amount of work required at each location.

Materials and labor have a wide range of costs depending on the type of materials used for construction. Typically more expensive materials are used for custom homes, which



ranged from \$140 to \$200 per square foot. An average quality construction single-family home generally costs less because the materials are less expensive and easier to handle. These material and labor costs for these homes cost around \$65 per square foot.

In addition to site improvement costs and the cost for building materials, there are engineering and architecture soft-costs, which can range from \$7,000 to \$8,000 per lot. Additional costs such as loan fees average about \$15,000 per lot.

At the costs listed above, none of the very low-or low-income households, and few moderate-income households in Morgan Hill can afford to build a home in the area. The scarcity of easily developable affordable land, combined with the great demand, indicates that housing construction costs are likely to remain high in the future. Morgan Hill will continue to follow the trend that is occurring throughout the Bay Area and the Silicon Valley.

### **Availability of Financing**

There are no local constraints to the availability or cost of financing for home purchases or rehabilitation that differ significantly from the availability and cost of financing generally in California. Even in older neighborhoods of the City, there are no barriers to obtaining financing for home purchase, improvement, or construction (other than customary underwriting considerations by lenders). Residents with lower incomes may face some barriers related to income and ability to afford housing when they are considering financing. Because most homeowners and homebuyers in Morgan Hill have moderate or higher incomes, there are few barriers to obtaining financing relating to income—the primary consideration is whether the housing price or home improvement cost is consistent with the borrower's ability to make monthly loan payments.

The primary factor related to home finance affecting housing affordability and availability is the cost of borrowing money (interest rates). Historically, substantial changes in interest rates have correlated with swings in home sales. When interest rates decline, sales increase. The reverse has been true when interest rates increase. Over the past two decades, there has been a dramatic growth in alternative mortgage products, such as graduated mortgages and variable rate mortgages. These types of loans allow homeowners to take advantage of lower initial interest rates and qualify for larger home loans. Even during periods of high interest rates, these alternative products allow more buyers to qualify for homeownership, thus dampening the swings in home sales that accompany changes in interest rates.

Nevertheless, the fixed interest rate mortgage remains the preferred type of loan, especially during periods of low, stable interest rates. Most governmental programs that seek to increase homeownership among low- and moderate-income households rely on loan products that provide fixed interest rates below prevailing market rates, either for the principal loan or for a second loan that provides part of the down payment for home purchase. Many programs offer deferred second loans to facilitate homeownership. Table 29 shows various monthly payments necessary to service mortgages at various interest rates. As of September 2001, financing is currently an average of 6.7 percent for a fixed-rate 30-year mortgage up to \$275,000—the lowest rate in two years.



**Table 29**

**Monthly Payments and Total Interest at Various Interest Rates**

Interest Rate	15-Year Loan			30-Year Loan		
	Payment per \$10k	Total Interest Paid	% Difference Payment/Interest	Payment per \$10k	Total Interest Paid	% Difference Payment/Interest
6%	\$84.39	\$5,189	---	\$59.96	\$11,583	---
7%	\$89.88	\$6,178	6.5%/19.0%	\$66.53	\$13,950	11.0%/20.4%
8%	\$95.57	\$7,202	6.3%/16.6%	\$73.38	\$16,415	10.3%/17.7%
9%	\$101.43	\$8,256	6.1%/14.6%	\$80.46	\$18,966	9.6%/15.5%
10%	\$107.46	\$9,343	5.9%/13.2%	\$87.76	\$21,593	9.1%/13.9%

Source: Parsons, 2001.

## Environmental Constraints

There are few environmental constraints in Morgan Hill as most residential lots are located on the valley floor, and very few vacant hillside lots are designated or zoned for residential development. Environmental constraints in Morgan Hill primarily involve geological issues related to hillside development, development within the flood zone and earthquake. Like most other areas of the state, Morgan Hill is located on a number of active fault lines, particularly in the northeastern portion of the City. Most notably, the Coyote Creek thrust faults, Silver Creek fault, Range Front thrust fault, and Calaveras fault zone. In addition, a few areas of the valley floor are subject to flooding during a 100-year storm event. Although these environmental factors exist in the City, they do not pose a significant constraint to the future development of housing in Morgan Hill as relatively few residential parcels are located in hillside or flood-prone areas. Units proposed within sensitive environmental areas, such as dam inundation zones or sensitive wildlife habitat, or within the vicinity of other environmental constraints are subject to CEQA.

## GOVERNMENTAL CONSTRAINTS

### Residential Development Control System

The voters of Morgan Hill first passed a residential growth control system in 1977. That initiative, Measure E, has been updated and extended twice, most recently in 2004, as Measure C. Parts of the initiative have been codified in the City's General Plan while other parts have been included in the City Zoning Ordinance. Collectively, the initiative is referred to as the Residential Development Control System (RDSCS). The provisions of the initiative can only be changed by the affirmative vote of the City electorate. The initiative applies to all residential development except secondary dwelling units and one-dwelling unit developments that are not part of larger projects.

The initiative establishes a population ceiling for the City of 48,000 persons in the year 2020. This population is consistent with the level of development projected by the City General Plan. The initiative includes a formula that determines the number of residential permits that can be issued annually. The formula is intended to ensure that housing development occurs at a consistent rate and that the population ceiling of 48,000 is not exceeded prior to 2020. The formula subtracts the current population, as determined by the State Department of Finance from 48,000 and divides the resultant by the number of years between the current year and 2020. That resultant population is then divided by the number of persons per household, as reported by the Department of Finance for the current year. Application of this formula results in approximately 250 permits being granted each year. Unlike the earlier initiatives, Measure C includes a provision that is intended to minimize the fluctuation of the annual allocation from year to year. Specifically, the initiative requires that the estimated population that would be housed in any authorized residential units that have not been finalized (and incorporated into the Department of Finance estimate) be added to the current year population for the purposes of the calculation. This moderates the number of permits approved annually and ensures that the number does not decline over time. The initiative precludes permits from being authorized during emergency periods when public services and infrastructure are severely limited. The availability of infrastructure has not been a development constraint for many years and the potential for an emergency development moratorium is not anticipated in the foreseeable future.

Permits for residential projects are typically approved once annually, through a competitive process involving all projects proposed for development for a given year. That process utilizes an objective point system to evaluate proposed projects against 14 criteria. The criteria address such aspects of development as design, diversity of housing types, the provision of affordable housing, and the potential impact on public facilities, traffic, infrastructure, and public services. Projects that receive at least 7.5 points for factors relating to impacts on existing facilities and at least 160 points (150 points for 100 percent affordable and very small projects) for factors relating to design and amenities (including affordable or senior housing) are eligible for permits. If there are more housing units in projects that exceed the minimum required points than there are permits available, projects receiving the most points are awarded permits. Approvals are granted by the Planning Commission. Appeals of the Commission's actions are heard by the City Council. The RDCS process requires approximately five months to complete.

The affordable housing factor, described above, grants additional points to projects that commit five to ten percent of the total number of project units to be deed-restricted affordable to persons/families of low or moderate income. The greater the percentage of affordable units (up to 10 percent) and the greater level of affordability provided, the greater the number of points awarded. To qualify for points, for-sale projects must incorporate units that are affordable to persons/families of low or median income. To qualify, rental projects must incorporate units that are affordable to persons/families of very low or low income. While not required, most project propose 10 percent of the units to be affordable in order to improve their potential for receiving permits through the process. This results in approximately 70 deed-restricted affordable units being provided annually.

Very small projects (five or fewer units) and projects that are 100-percent affordable typically are not able to achieve the same number of points in the competitive process as



larger projects and projects that are predominantly available at market rate prices. In order for these types of projects to be fairly treated in the competitive process, they are evaluated separately from the larger, market rate projects.

The RDCS and the City's General Plan require that 20 percent of all permits (or approximately 50 permits annually) be issued to 100-percent affordable projects. These projects are typically built by non-profit housing providers with funding support from the City's Redevelopment Agency.

Taken together, the 50 units in 100-percent affordable projects and the 70 deed restricted units in market rate projects result in approximately 28 percent of all new units being affordable to persons/families of very low, low or moderate income.

### **Architectural and Site Plan Review**

The City has adopted a Design Review Ordinance to regulate new construction within the City. This Ordinance includes guidelines and standards for site planning, landscape and building design. An Architectural Handbook has been developed to graphically illustrate the concepts and standards of the Ordinance. The Ordinance requires an architectural and site plan review procedure for all residential developments (except custom homes or duplexes approved outside of the RDCS process).

Applications for RDCS approval are required to include conceptual site plans and architectural plans for the proposed projects. Those projects approved under the RDCS program must subsequently submit detailed plans for design review. This process evaluates proposed structures and site plans for their conformance with City codes and standards and consistency with the plans approved under the RDCS. Plans submitted for architectural and site plan review cannot vary substantially from the conceptual plans submitted for the RDCS process and approval of architectural and site plans also cannot vary substantially from the RDCS-approved plans.

Projects requiring architectural and site plan review submit an application and building plans to the Development Review Committee. Applicants meet with the City staff to review the plans, and if necessary, submit additional documentation or revisions. The City's Architectural and Site Review Board is responsible for approval of these plans. Approvals must include findings that the projects conform with the provisions of the Design Review Ordinance and are consistent with other City ordinances. The architectural and site plan review process requires approximately ten weeks of review, possibly more if CEQA documentation is required. Review fees average approximately \$2,000. Minor changes are often required, but major changes are rarely required. According to the City of Morgan Hill, there have been few, if any, instances where a reduction in density was required unless the project exceeded the maximum density requirements of the Zoning Code.

### **Hillside Development**

Although few vacant parcels in the City are located in the hillside areas, development of these areas carries environmental and financial risks and constraints. Due to environmental constraints, particularly unstable soils and topography, development densities are limited to single-family homes on large lots. However, since there is little



developable hillside land, hillside development is not as significant a constraint as environmental factors, such as flooding within the valley floor.

### **Maintaining Public Open Space**

The City is dedicated to the preservation of its open space. Open space is a valuable resource as it discourages noncontiguous development patterns that result in sprawl and inefficient use of community service funds. Open space also maintains the natural character of the area so that urbanization does not uncontrollably expand and cities do not lose their natural resources. Open spaces are beneficial to the responsible growth of cities and offer many environmental, recreational, and psychological benefits to the community. The City's existing open space lands are diverse in scale, use, and level of improvement. Measure P prohibits redesignation of open space lands through 2010.

### **Land Use Controls**

Historically, Morgan Hill has been a single-family home community. The basis of the community's identity has been low-density residential neighborhoods that maintain a semi-rural feel to the City. The preservation of hillside and other open spaces, and active agricultural lands has been integral to maintaining this community vision.

Over the past 20 years, countywide employment growth and redevelopment in many developed communities have created large demands for additional housing. Over the past decade, in particular, Morgan Hill has been greatly affected by the extreme increase in housing costs that have accompanied the shortage of housing countywide.

Residential uses are permitted in residential zones as shown in the table below. Limited residential uses are permitted only in the CC-R commercial zone, with the exception of caretaker residences that are permitted in most commercial zones. This significantly constrains opportunities to locate housing units outside of residential zones.

### **Hillside Combining District**

The Hillside Combining District was established to provide orderly development of hillside areas that preserves significant environmental features. Although very few hillside parcels are appropriate for residential development, this district applies to all areas within the City limits containing an average slope of 10 percent or more. The Hillside Combining district acts as an overlay district, where lots are subject to the requirements established by their original zoning and also the requirements of the Hillside zoning. Construction is prohibited on areas with slopes in excess of 20 percent. Building densities in these areas decrease as the slope increases at a rate of "average slope times 2,000 equals minimum lot size." If the average slope of a parcel is over 50 percent, the minimum lot size is five acres. If a lot has a slope of 10 percent or less, one housing unit may be constructed per lot; however, no homes may be located on a ridgeline. Significant trees located within this district are to be protected. It should be noted that transferable residential development credits may be given for hillside areas in excess of 20 percent slope. The transfer rate equates to the number of acres divided by the minimum lot size, multiplied by two. These transfer credits can be used toward the development of a dwelling unit with a designated "recipient site" in a more appropriate location within the City.

## **Geologic Combining District**

Areas within the City that are subject to geologic hazards are designated within a Geologic Combining District, which places additional restrictions on development in order to protect residents and structures. Residential uses are not permitted on some hazardous soil types, and restrictions are more stringent for multi-family dwellings as opposed to single-family dwellings. Construction requires the issuance of a permit and a geotechnical report to ensure the development will not result in significant impacts to the safety of the structure. The Geologic Combining District is only located within the hillside areas where very few additional housing units are zoned for development.

## **Flood Damage Prevention**

The Flood Damage Prevention zone places additional limits on development and construction standards to reduce flood damage to structures. Portions of the City subject to flooding, flood-related erosion hazards, and mudslides fall within these zoning limitations. All structures must be reviewed and obtain certification. Construction standards require anchoring, flood resistant materials and equipment, adequate drainage, proper elevation, and flood resistant utilities and other public facilities.

## **Seismic Combining District**

This district establishes additional restrictions in order to protect structures from geologic hazards. Construction of any project across the trace of a known active fault is prohibited as well as a 50-foot area around the fault trace. If a project is located within this district, geologic studies are required prior to project approval.

## **Residential Planned Development Overlay District**

The Residential Planned Development (RPD) zone is an overlay district that permits and encourages flexibility in site planning. Lot sizes, yards, and density requirements are relaxed. Within these zones, the underlying zoning district is used as a guide towards permitted land uses. Single-family or multi-family dwellings are permitted as established within the underlying zoning within the RPD zones, and licensed nursing homes are allowed with a conditional use permit. Density bonus development is also permitted. Density bonus units may also be used for low-income or senior housing. While RPD zones allow for greater flexibility in providing housing, a more detailed and stringent review process is also associated with this zone. The depth of the review process may delay projects.

## **Planned Unit Development**

The Planned Unit Development (PUD) district promotes the coordination of design and function of multiple adjacent properties. All uses are permitted in the PUD district with approval by the City Council. The density of residential developments within the PUD must be in accordance with the density limits established for the area by the General Plan. Therefore, maximum densities may vary within this zone, depending on the location of the parcel within the City.



## Second Units

Some of the City's affordable housing needs can be met through the construction of second units, which are permitted in the Open Space and all residential zoning districts. Requirements for second units are as follows:

- Secondary units must be located on lots that meet or exceed the minimum parcel size for those zones.
- The design of second dwellings must conform to local codes as well as the design and scale of the existing dwelling and neighboring dwelling units.
- One secondary unit is permitted per each appropriately zoned parcel containing a single-family dwelling.
- Secondary dwelling units attached to the primary dwelling may not occupy more than 30 percent of the existing living area of the primary dwelling unit
- Maximum square footage varies by zone, ranging from 650 to 1,000 square feet.
- Second units may be either detached from, or attached to the primary dwelling unit on the property. A detached unit must conform to the building setback and lot coverage limitations contained in the applicable zoning district and shall be setback a minimum of 6 feet from the primary dwelling unit.
- No more than two bedrooms may be constructed in a secondary dwelling unit.
- There must be a minimum of one parking space per studio or one-bedroom secondary unit and two parking spaces per two-bedroom secondary unit. Parking spaces do not need to be covered.

Since Morgan Hill's second unit permit requirements allow such units to be constructed in most of the City, property owners are more apt to use this housing option.

## Homeless Facilities and Transitional Housing

The Morgan Hill Zoning Code does not expressly allow or prohibit homeless shelters, homeless supportive service facilities, and/or transitional housing. Institutional, religious, charitable, and public facilities are permitted by conditional use in RE (non-housing facilities), R-1 (non-housing facilities), R-2, R-3, and CO (non-residential social services). Depending on the operator and nature of the services provided, it is possible that a homeless or transitional housing facility could fall under the Zoning Code definition of institutional, religious, charitable, or public facility. Because the City does not have a significant internal homeless problem, requests to operate a homeless shelter, supportive service facility, or transitional housing facility in the City are few. However, State law (Section 65583[c][1] of the California Government Code) requires that the Housing Element:

...identify adequate sites which will be made available through appropriate zoning and development standards and with services and facilities...needed to facilitate and encourage the development of a



variety of types of housing for all income levels, including...emergency shelters and transitional housing in order to meet the community's housing goals.

Clarification in the Zoning Code of where such uses would be permitted, if requested, would help the City show compliance with this section of State law.

### **Constraints to Locating Housing for Persons with Disabilities**

Morgan Hill has a number of regulations that help to ensure the needs of people with mobility impairments can be met. Section 18.56.060 of the Municipal Code allows projections into setback areas for access ramps and similar accommodations. These encroachments are approved by the Community Development Director as part of the building permit process with a finding that the projection will serve as a required means of from the structure. No separate permitting process is required.

Section 18.56.150 of the Code allows for Minor Exceptions to setback, coverage and off-street parking standards in all zoning districts. The Exceptions are approved by the Community Development Director using a streamlined administrative process. The process requires notification of adjacent property owners and usually takes three weeks to complete. Approvals for Exceptions to setback and coverage standards require findings that the Exceptions would be in character with and would not unreasonably affect adjacent properties. Approvals for Exceptions to parking standards may reduce the required number of spaces by a maximum of 25 percent and require findings that the Exceptions would not result in traffic hazards or impact the parking needs of the use.

State and federal laws require that five percent of multi-family units to be handicapped-accessible or adaptable. These requirements are enforced through the City's Building Division as part of normal building code enforcement.

Morgan Hill allows housing for persons with self-care limitations in a number of ways. Special Residential Care Facilities are allowed in all of the City's residential zoning districts. These Facilities may accommodate as many as six unrelated persons with self-care limitations. Establishment of these Facilities requires approval of a Zoning Permit by the Community Development Director. This administrative process normally requires approximately three weeks to complete. Approval of a Permit may be withheld if a proposed Facility is within 300 feet of an existing similar facility. Facilities accommodating more than 6 persons are allowed in the R-3 residential district upon the granting of a Conditional Use Permit by the Planning Commission. The findings required for approval of these larger Facilities are the same as required for other conditional uses and address the suitability and adequacy of the site for the proposed use; impacts on traffic circulation, compatibility of design with adjacent uses, and conformity with hazardous materials requirements.

The City has considered the accessibility and supportive services needs of persons with disabilities by designating land use categories in the General Plan and implementing consistent zoning classifications. Areas of the City zoned for multifamily housing and

other classifications that permit alternative types of housing for persons with disabilities are generally located with access to public transit, commercial and public services, and sidewalks and street crossing compliant with state and federal handicapped accessibility standards. In addition, the City recently provided a \$152,000 loan to Community Solutions to rehab an existing transitional housing facility in the City. The City also enforces compliance with building code standards for accessibility.

Based on its zoning, land use policies, and building code practices, Morgan Hill does not believe that it has created significant constraints to the location, construction, or cost of special needs housing for persons with disabilities.

## **Residential Zoning Districts**

There are six use-designations in the General Plan that allow residential uses that are described below and compared in Table 30.

The first three designations allow single-family dwellings. The fourth through sixth designations allow single-family and multi-family dwellings.

### **Residential Estate**

The density allowed in the Residential Estate designation corresponds to the densities permitted in the OS and RE zones. The maximum density in this designation is 1 dwelling unit (DU) per acre, or minimum lot size of 40,000 square feet. The maximum intensity of building and impervious surface coverage is 30 percent of the site area.

### **Single Family Low**

Single Family Low corresponds to R-1-12,000 and R-1-20,000 zoning. The maximum density allowed in these areas is one to three DU per acre, or minimum lot size of 12,000 square feet. The maximum intensity of building and impervious surface coverage is 40 percent of the site area.

### **Single Family Medium**

Single Family Medium corresponds to the R-1-9,000 and R-1-7,000 zones. Development densities of three to five DU per acre are permitted in these areas, or minimum lot size of 7,000 square feet. The maximum intensity of building and impervious surface coverage is 50 percent of the site area.

### **Multi-Family Low**

Multi-Family Low designation falls into the R-2-3,500 and R-2-3,000 zones. The density of this designation is five to 14 DU per acre, or minimum lot size of 6,000 square feet. The intensity of building coverage is 50 percent of the site area.

### **Multi-Family Medium**

This designation corresponds to R-2-3,500 and R-2-3,000 zones. Densities within these sites are 14 to 21 DU per acre, or minimum lot size of 6,000 square feet. The maximum intensity of building coverage is 60 percent of the site area.

## **Multi-Family High**

This designation corresponds to the R-4 High Density residential zoning district. The density of this designation is 21 to 40 DU per acre with a minimum lot size of 6,000 square feet. The maximum building coverage is 60 percent of the site area.



**Table 30**

Morgan Hill Zoning Code Requirements with Allowable Residential Development

Development Components	RE 40,000 RE 100,000	R-1 12,000 R-1 20,000	R-1 7,000 R-1 9,000	R-2 3,500 R-2 3,000	R3	R4	CC-R
<b>Lot Area – Minimum</b> (Square feet)	a. 40,000 b. 100,000	a. 12,000 or 6,000 for corner duet  b. 20,000 or 10,000 for corner duet	a. 7,000 or 3,500 for corner duet  b. 9,000 or 4,200 for corner duet	a. 7,000 (duplex lot) or 3,500 for townhouse lot  b. 6,000 or	6,000 or 4,500 for corner lots	6,000 or 6,500 for corner lots	6,000
<b>Lot Coverage – Maximum</b>	a. 30% b. 25%	40%	50%	50%	60%	60%	75%
<b>Maximum Height – Structure</b>	30 feet	30 feet	30 feet	30 feet	30 feet	48 feet	45 feet
<b>Allowable Stories</b>	2.5	2.5	2.5	2.5	2.5	3	3
<b>Units/Acre</b>	a. 1 unit per acre  b. 1 unit per 2 acres	a. 3.6 or 7.3 (duet) units per acre b. 2.2 or 4.4 (duet) units per acre	a. 6.2 or 12.5 (duet) units per acre b. 4.8 or 10.9 (duet) units per acre	a. 12.5 units per acre  b. 14.52 units per acre	21.78 units per acre	39.6 units per acre	18.1 units per acre

**Table 30**

**Morgan Hill Zoning Code Requirements with Allowable Residential Development**

Development Components	RE 40,000 RE 100,000	R-1 12,000 R-1 20,000	R-1 7,000 R-1 9,000	R-2 3,500 R-2 3,000	R3	R4	CC-R
<b>Single-Family Dwellings</b>	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Permitted Use
<b>Second Residential Units</b>	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Permitted Use
<b>Apartments/ Multi-family Units (excluding duets)</b>	RV Parks are a conditional use	Not Permitted	Not Permitted	Permitted Use	Permitted Use	Permitted Use	Permitted Use
<b>Residential Care</b>	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Permitted Use	Conditional Use, prohibited on Monterey Rd.

Source: Morgan Hill Planning and Zoning Codes.

## **Available Public Facilities, Services, and Infrastructure**

As most of the City residential developments are less than 30 years old, infrastructure, including streets, sewers, storm drains, and water lines, are in good working condition.

Most of the City's vacant residential land is located on the valley floor. Due to the historic development pattern of the City, infrastructure and public services are generally available throughout this area. New development is required to provide roadway improvements and other infrastructure to serve its needs. In addition, new development is required to pay impact fees to offset the costs of new and expanded services. Many vacant and infill parcels are served by public transportation due to their proximity to existing bus routes.

There are no physical infrastructure limitations on the City's ability to accommodate affordable housing, nor are there infrastructure or public service constraints on remaining sites potentially suitable for affordable housing.

As of January 2006 the City had 0.93 million gallons per day of available sewage treatment capacity. Given historic rates of growth, which includes 250 additional dwelling units per year, this capacity would last the City until the year 2012, beyond the planning period for this Housing Element. The City is currently working with the City of Gilroy to expand the joint treatment plant in 2010 to give the City an additional 2.5 million gallons of treatment capacity per day.

The City's water supply is provided entirely from local underground aquifers. Currently, the City has 15 operational water wells. In accordance with the City's 2002 Water Master Plan, the City is drilling a new well in FY 06/07 and another well in FY 07/08. These wells are projected to provide sufficient water supplies for new growth beyond the planning period for this Housing Element. The Santa Clara Valley Water District is responsible for recharging the aquifers from which the City receives its water. The District has advised the City that sufficient ground water is available to serve City growth through the year 2020.

## **Neighborhood Character**

Incompatible uses may be created on infill parcels when higher density units are allowed on infill parcels that are substantially surrounded by low-density single-family development. There is a strong desire by residents to maintain the neighborhood character. However, there are no infill parcels that could create an incompatibility of concern to neighborhood residents, and the application of this policy has not been a constraint in practice.

## **Building and Fire Codes**

Fire sprinklers are required by the City in all residential structures within a fire hazard zone, in hillside areas and on the valley floor if the structure is larger than 4,500 square feet, which increases the cost of housing construction. The City also requires Class A



roofing for all new roofs in hillside areas. Class A is the highest standard for fire retardant roofing and is the most effective against severe fire exposure. Roofing materials that meet Class A requirements are also among the most expensive and can add significantly to the cost of an affordable housing development. However, this standard only applies to hillside areas, where limited new growth is anticipated. Other building code requirements limit the materials that may be used or the engineering and design of structures. Code violations may result in fines up to \$1,000, up to six months in jail, or a combination of the two.

## **Code Enforcement**

The City has an active code enforcement program, with one code enforcement officer. The City's main code enforcement problems are illegal signage, failure to obtain building permits, and improper storage of vehicles, boats, and trailers. Other offenses include public nuisances, litter, illegal dumping, and other similar offenses. As of August 2001, the City had a total of 750 code violations, over half of which were illegal sign postings.

## **Parking Requirements**

The parking requirements have not been an impediment to housing development. Single-family dwelling units currently require two covered spaces per dwelling unit with an additional guest space per four dwelling units. Single Family Senior Residential areas require two covered spaces per dwelling unit for 50 percent of the dwelling units, and one covered space per dwelling unit for the remaining 50 percent of the dwelling units, with one guest space per four dwelling units. Multi-family units require 1.5 spaces per studio, two spaces per two-bedroom unit, and 2.5 spaces per three-bedroom unit of which one covered space per dwelling unit is required and one guest parking space per three units is required. Multi-family senior units require one covered parking space per dwelling unit and one guest space per every five units. Parking in the CC-R zone must follow the number of parking spaces per dwelling unit type as described above, with the exception that these spaces are not required to be covered. Parking requirements are not considered excessive in comparison to those of similar communities.

## **Processing and Permit Procedures**

The City's permitting procedures are not a barrier to housing development as requests for single-family homes and multi-family projects are processed within the time limits set forth by AB-884, California Environmental Quality Act (CEQA), and the Subdivision Map Act. According to the Community Development Department, Planning Division, project approval takes between seven and 23 months depending on the type of application. The basic process for most projects consists of submitting an application and any necessary environmental documentation, staff review, revisions, hearings, and appeals if needed. The review process is necessary for zoning amendments, General Plan amendments, annexations, variances, property subdivision, site plan review, and RDCS (Measure P) allotments. Site Plan reviews require the least amount of time for processing, which is about seven to ten weeks. RDCS allotments may take between 12 and 23 months. The amount of time needed to process the applications increases with

the amount of CEQA-required documentation prepared for the project, and may increase the review period six months or more depending on the level of documentation required. The RDCS allotment process is lengthy and rigorous; however, since the RDCS limits the number of homes that may be built, the length of the review process is not the primary constraint. In addition, the RDCS review process ensures that a percentage of the units constructed accommodate lower-income households, which helps provide a balanced housing market in the City.

## Fees and Exactions

Direct Development costs due to governmental processes include permit and application fees, park and recreation fees, improvement bonds, public works improvement fees, and environmental review fees as shown on Tables B-1 and B-2 in Appendix B. The fees charged in Morgan Hill are comparable to the fees charged by other local governments; rates were established to cover the costs incurred by the City to process an application and impact fees. There are fees required by the Public Works Department based on the valuation of the home, number of units, square feet, etc. Fees per single-family dwelling unit for services include:

Park fee	\$2,321
Traffic Impact Fee	\$2,037
Library Fee	\$207
Police Impact Fee	\$115
Fire Impact Fee	\$689
General City Facilities	\$272
Schools	\$1.84 per square foot

An average home of 1,800 square feet in size would include approximately \$30,000 in building fees and application fees. The largest building fees are a result of school, traffic, and park fees, along with sewer and water fees. In addition there are RDCS application fees and architectural and site plan review fees.

## On and Off-site Improvement Requirements

When new developments are constructed there is a need to improve the land upon which the development is located, or provide improvements in the general area to properly serve the development. These improvements vary depending on whether the development is located on raw land or an infill site. Typical raw land improvements include the installation of sewers, curbs, gutters, and streets. Standards for local residential streets vary depending on anticipated traffic volumes. Required rights of way may be either 48 or 52 feet with associated pavement widths of 36 and 40 feet,



respectively. Sidewalks are required on both sides of residential streets. Many infill sites are already equipped with some if not most improvements, particularly streets. Therefore, there are usually no dedication or easement requirements on such sites. If dedication and/or improvement is required, it is limited to a maximum of 36 feet of dedication and 26 feet of improvement. Land improvements require fees, some of which are listed above. The cost of improvements depends upon the extent of improvements, the size of the project, and accessibility.

## **ENERGY CONSERVATION OPPORTUNITIES**

### **State Building Code Standards**

Compliance with Title 24 will enable homeowners to reduce energy consumption. The California Energy Commission was created in 1974 by the Warren-Alquist State Energy Resources Conservation and Development Act (Public Resources Code 25000 et seq.). Among the requirements of the new law was a directive for the Commission to adopt energy conservation standards for new construction. The first residential energy conservation standards were developed in the late 1970s (Title 24, Part 6 of the California Code of Regulations) and have been periodically revised and refined since that time.

### **RDCS Energy Conservation**

The RDCS point system provides developers with incentives to exceed Title 24 requirements for energy conservation. The RDCS point system allocates additional points to projects that use energy efficient building techniques, materials, and appliances so that buildings consume less energy than allowed by Title 24 standards. Points are given to projects that utilize EPA "Energy Star" windows, low-e coatings, vinyl or metal frames, high efficiency gas furnaces, dual zone high-efficiency heating systems, high efficiency air conditioning units, roof mounted solar panels, or wind generators, if developers are able to show how energy savings will be achieved. In addition, projects receive additional points if they include innovative water conservation through building techniques, exceed current City and State standards, and use water-saving plumbing fixtures. Because the RDCS allocation is highly competitive, developers are given an incentive to include energy saving features to attain the highest number of RDCS points.

### **General Design Standards**

There are many opportunities for conserving energy in new and existing homes. New buildings, by design, can easily incorporate energy efficient techniques into the construction. It is important to consider the opportunity for energy savings in existing housing also. According to the U.S. Department of Energy, the concept of energy efficiency in buildings is the building envelope, which is everything that separates the interior of the building from the outdoor environment: the doors, windows, walls, foundation, roof, and insulation. All the components of the building envelope need to work together to keep a building warm in the winter and cool in the summer.



Constructing new homes with energy-conserving features, in addition to retrofitting existing structures, will result in a reduction in monthly utility costs. There are many ways to determine how energy efficient an existing building is and, if needed, what improvements can be made. PG&E offers free home energy audits and can specify areas for energy conservation. Examples of energy conservation opportunities include installation of insulation and/or storm windows and doors, use of natural gas instead of electricity, installation or retrofitting of more efficient appliances and mechanical or solar energy systems, and building design and orientation which incorporates energy conservation considerations.

Many modern building design methods are used to reduce residential energy consumption and are based on proven techniques. These methods can be categorized in three ways:

1. Building design that keeps natural heat in during the winter and keeps natural heat out during the summer. Such design reduces air conditioning and heating demands. Proven building techniques in this category include:
  - location of windows and openings in relation to the path of the sun to minimize solar gain in the summer and maximize solar gain in the winter;
  - use of "thermal mass," earthen materials such as stone, brick, concrete, and tiles that absorb heat during the day and release heat at night;
  - "burying" part of the home in a hillside or berm to reduce solar exposure or to insulate the home against extremes of temperature;
  - use of window coverings, insulation, and other materials to reduce heat exchange between the interior of a home and the exterior;
  - location of openings and the use of ventilating devices that take advantage of natural air flow (particularly cool evening breezes);
  - use of eaves and overhangs that block direct solar gain through window openings during the summer but allow solar gain during the winter; and
  - zone heating and cooling systems, which reduce heating and cooling in the unused areas of a home.
2. Building orientation that uses natural forces to maintain a comfortable interior temperature. Examples include:
  - north-south orientation of the long axis of a dwelling;
  - minimizing the southern and western exposure of exterior surfaces; and

- location of dwellings to take advantage of natural air circulation and evening breezes.
3. Use of landscaping features to moderate interior temperatures. Such techniques include:
- use of deciduous shade trees and other plants to protect the home;
  - use of natural or artificial flowing water; and
  - use of trees and hedges as windbreaks.
4. In addition to natural techniques, a number of modern methods of energy conservation have been developed or advanced during the present century. These include:
- use of solar energy to heat water;
  - use of solar panels and other devices to generate electricity;
  - window glazing to repel summer heat and trap winter warmth;
  - weather-stripping and other insulation to reduce heat gain and loss;
  - use of natural gas for dryers, stovetops, and ranges;
  - use of energy efficient home appliances; and
  - use of low-flow showerheads and faucet aerators to reduce hot water use.

The city's Mediterranean-like climate is typical of coastal northern California with year-round mild temperatures, providing an opportunity to use solar energy techniques to generate electricity, heat water, and provide space heating during colder months. Natural space heating can be substantially increased through the proper location of windows and thermal mass. Use of solar panels can generate 1,000 watts of electricity on a sunny day. This can constitute more than enough power for daily residential operations and a special converter attached to the solar panels can take excess electricity and funnel it back into the PG&E grid.

There are local programs that assist low- and moderate-income households in retrofitting their homes. PG&E offers free weatherization to qualified residents, including free attic insulation, weatherstripping and caulking, water heater blankets and low flow showerheads. They also offer rebates on the purchase of certain energy efficient appliances and vouchers for replacing windows, furnaces and other household items. The Design Review Section 18.74.330 and 18.74.450 of the Morgan Hill Planning and Zoning Codes encourages energy conservation through building design, solar energy fixtures, and landscaping.

# ATTACHMENT A

**Table B-1**

## City of Morgan Hill Planning Department Application Fees (Project Fees)

Application	Fee
Annexation	
City Processing	\$1,958
LAFCO Processing	Per LAFCO
Appeals	
Planning Commission/Board Decision	\$1,167
Staff Decision	\$307 + hourly rate over 8 hours
Covenants, Conditions, & Restriction Review	\$159 + City Attorney fees
Cultural Resources	
Designation	\$1,315
Alteration	\$1,374
Development Agreement Approval	\$837
(if filed concurrently with SD)	\$512
Development Approval Amendment Review	
Non-administrative	Hourly rate per staff
Administrative (deposit - time & material)	Hourly rate per staff
Development Credit Transfer Admin.	\$1,274
Environmental Review	
Environmental Impact Report (+ any State &/or County Fees)	Cost of study + the greater of \$6,650 or 22% of study costs
Expanded Initial Environmental Study (+ any State &/or County Fees)	Cost of study + the greater of \$2,595 or 22% of study costs
Initial Environmental Assessment (+ any State &/or County Fees)	\$372
Extension of Time for Approvals	
Administrative	\$182
Non-Administrative	\$802
General Plan Amendment	\$2,676



**Table B-1**

City of Morgan Hill Planning Department Application Fees (Project Fees)

Application	Fee
Planning Consultation	Hourly Rate Per Staff
Reversion to Acreage Processing	\$602
Residential Development Control System - RDCS	\$1,651
Preliminary Measure RDCS Review	\$3,679
Final Measure RDCS Review	\$973
Micro Measure P (Admin)	\$761
Micro Measure P (Non-Admin)	
Sign Review	
Uniform Sign Program	\$731
Sign Permit	\$307 or \$343
Sign Copy Change	\$30
Temporary Sign Permit	\$0
Site and Architectural Review	
Architectural and Site Plan Review	\$1,781
Conceptual Plan Review	\$743
Plan Detail Review	Hourly Rate
Preliminary Plan Review	\$2,287
Site Plan Review	\$1,368
Subdivision	
Tentative Parcel Map Review	\$1,969
Tentative Subdivision Map Review	\$3,361
Tree Removal Review	\$50
Urban Service Area Amendment Review	
City Processing	\$1,792
LAFCO Processing	\$3,089
Use Permit	
Conditional Use Permit Review	\$2,017
Temporary Use Permit Review	\$472
Temporary Use Permit Amendment	\$318

**Table B-1**

City of Morgan Hill Planning Department Application Fees (Project Fees)

Application	Fee
Variance	\$1,686
Minor Exceptions	\$502
Williamson Act Cancellation	\$1,143
Zone Requests	
Planned Unit Development Review	\$2,600
Planned Unit Development Amendment	Hourly Rate
Residential Planned Development Review	\$2,666
(if processed concurrently with SD)	\$1,512
Residential Planned Development	Hourly Rate
Amendment	\$1,987
Zoning Amendment Review	\$1,327
(if processed concurrently with GPA or ANX)	\$59
Zoning Conformation Review	\$2,287
Zoning Text Amendment Review	

Source: City of Morgan Hill, 2001.

**Table B-2**

**City of Morgan Hill Building Fees (Unit Fees)**

<b>Application</b>	<b>Fee</b>
Building	Based on Construction Valuation
Electrical	\$15
Receptacles/Switches/Outlets/Fixtures	First 20 = \$0.75 each Each additional = \$0.45 each
New Services (Including Upgrades)	Up to 200 Amps = \$18.50 200 to 1,000 Amps = \$37.50
Subpanels	\$7.50 each
Temp Power/Pole	\$15
Irrigation Meter Pedestal	\$15
Disconnect	\$15
Motor	\$15
Conduits/Conductors	\$11 each
Sign	\$15
Mechanical	\$15
Furnace	Btu's up to 100,000 = \$9 Btu's over 100,000 = \$11
Heat Pump	\$9
Condensing Unit	\$9
Fan/Hood/Ducts	\$9
Plumbing	\$15
Re-pipe sinks/tubs/showers/toilets/traps	Fixtures = \$3
Water heater	\$7.50
Water Service/Main	\$3
Back flow	\$6
Gas Test	\$15
Gas Line	Up to 4 outlets = \$3 Over 4 outlets = \$0.75 each
Trench Line	\$15
Building Sewer	\$15



**Table B-2**

**City of Morgan Hill Building Fees (Unit Fees)**

<b>Application</b>	<b>Fee</b>
Sewer Drain	\$15
Sewer Lateral	\$15
Roof Drain	\$15
Storm Drain	\$15
Photocopies	\$0.75 first page \$0.10 each additional page
Geotechnical Review	Varies: \$600 - \$800
Re-Inspection Admin. Fee	\$43.47
Plan Check	Based on Building Valuation plus GPA
General Plan Maintenance	3% GPA
Seismic	Minimum = \$0.50 Residential = .0001 x Building Valuation Commercial = .00021 x Building Valuation
Geological Maps	\$205
Bond	Amount Determined by Inspector

Source: City of Morgan Hill, 2001.

**Table B-3**

Vacant Residential Lands by Zoning District 2006

Map ID #	APN	General Plan	Parcel Size (acres)	Unit Potential
RE 100,000 Zoning				
10	76708011	RE	0.13	0
14	82506015	RE	4.06	1
29	82506025	RE	0.19	0
54	82506023	RE	7.87	3
77	0	SFM	12.21	5
118	82506014	RE	3.82	1
206	82506013	RE	5.00	2
Total			33.28	12

RE 40,000 Zoning

5	76403003	RE	1.11	1
7	76445031	RE	1.91	1
18	76429011	RE	0.57	1
22	76703036	RE	2.76	2
28	76445007	RE	2.57	2
33	76429009	RE	3.10	2
41	76429033	RE	0.52	1
49	76429012	RE	1.02	1
52	76403030	RE	1.85	1
53	76445021	RE	1.26	1
76	76430006	RE	1.00	1
85	76445030	RE	2.32	2
90	76403024	RE	0.89	1
100	76403017	RE	1.11	1
109	76703039	RE	0.66	1
122	76435055	RE	0.82	1
123	76403023	RE	1.23	1
127	72802004	RE	3.79	3
129	76429032	RE	0.63	1
144	76429035	RE	2.48	2
160	76403032	RE	0.80	1
172	77332013	RE	5.00	4
193	72802003	RE	8.34	7
Total			45.74	39

**Table B-3**

**Vacant Residential Lands by Zoning District 2006**

**R-1 20,000 Zoning**

2	72641058	SFL	0.50	1
3	72641059	SFL	0.50	1
12	72641057	SFL	0.59	1
13	76427019	SFM	1.09	1
21	76703042	MFM	4.28	7
25	77307021	RE	0.89	1
48	72641063	SFL	1.00	1
50	72641046	SFL	0.50	1
62	72834007	SFL	13.66	23
64	72641062	SFL	1.01	1
72	72930001	SFL	0.45	1
83	72641047	SFL	0.50	1
95	72636061	SFL	0.73	1
104	72641061	SFL	1.00	1
111	72640011	SFL	1.01	1
112	72640012	SFL	1.00	1
113	72641060	SFL	0.50	1
125	72939041	SFL	0.53	1
141	72640010	SFL	1.07	1
159	72934010	SFL	0.30	1
Total			31.11	48

**R-1 12,000 Zoning**

17	0	SFL	10.25	27
26	0	SFL	1.01	2
82	0	SFL	0.70	1
93	72905017	SFL	0.61	1
128	72618039	SFL	0.28	1
158	76753012	SFL	0.96	2
163	0	SFL	14.03	37
169	72818012	SFL	3.00	8
170	72819001	SFL	13.00	35
171	76409004	SFL	1.00	2
181	72820038	SFL	5.00	13
182	72819002	SFL	2.34	6
183	72819003	SFL	10.32	27
184	72820037	SFL	8.00	21
211	0	SFL	16.62	44
Total			87.12	227



**Table B-3**

**Vacant Residential Lands by Zoning District 2006**

**R-1 9,000 Zoning**

37	0	SFL	0.83	2
86	72836004	SFM	1.70	5
119	72836011	SFM	1.65	5
165	72836008	SFM	18.00	55
Total			22.18	67

**R-1 7,000 Zoning**

11	72811026	SFM	1.62	6
16	76702013	SFM	1.32	5
27	76457045	SFM	0.13	1
35	72811027	SFM	0.21	1
44	76702026	SFM	0.23	1
58	76702020	SFM	0.25	1
63	0	SFM	0.95	3
97	76424042	SFM	0.59	2
99	72830001	MFL	4.50	18
103	81770007	SFM	0.47	1
120	81760031	SFM	0.24	1
124	76702028	SFM	0.21	1
134	76442022	SFM	0.21	1
143	76424040	SFM	0.58	2
148	76702012	SFM	0.80	3
149	76702027	SFM	0.21	1
151	76421027	SFM	4.05	16
161	76424038	SFM	0.57	2
166	72836006	SFM	18.00	72
189	72609024	SFM	1.22	4
Total			36.36	124

**R-2 3,500 Zoning**

9	76708037	MFL	0.33	2
15	0	MFL	0.17	1
19	0	MFL	0.55	4
31	76456015	MFL	0.65	4
40	72624009	MFL	0.15	1
43	72830003	MFL	13.88	104
51	81704009	MFL	0.36	2
56	72602007	MFL	3.48	26
59	76712046	MFL	1.16	8

**Table B-3**

**Vacant Residential Lands by Zoning District 2006**

66	72612004	MFL	4.26	32
67	0	MFL	0.25	1
68	81703028	MFL	0.22	1
70	76703005	MFL	3.89	29
73	76723016	MFL	8.02	60
78	72830002	MFL	8.14	61
81	76723006	MFL	8.19	61
92	76707065	MFL	0.64	4
94	0	MFL	0.39	2
102	76705025	MFL	0.32	2
106	0	MFL	0.75	5
116	81704039	MFL	0.53	4
121	72601007	MFL	4.64	34
131	72622051	MFL	5.04	37
132	0	MFL	0.39	2
146	72601008	MFL	6.81	51
152	76420073	MFL	0.82	6
154	81703048	MFL	0.17	1
162	0	MFL	0.23	1
176	76411003	MFL	9.43	70
210	76409032	MFL	9.31	69
Total			93.18	685

**R-2 3,000 Zoning**

36	72817022	MFL	6.01	54
79	72817018	MFL	3.34	30
87	72602016	MFL	2.30	20
88	72602012	MFL	4.84	43
217	81711072	MFL	9.2	82
Total			25.69	229

**R-3 Zoning**

1	81709036	MFM	5.22	88
65	0	MFM	4.10	69
136	76711014	MFM	0.23	3
150	76712012	MFM	0.20	3
155	81709051	MFM	6.57	111
208	72625076	MFM	9.30	158
209	72625077	MFM	6.48	110
Total			32.11	542

**Table B-3**

## Vacant Residential Lands by Zoning District 2006

## R-4 Zoning

212	72615073	MFH	4.43	177
213	72615001	MFH	1.63	65
217	72614025	MFH	0.19	4
218	72614026	MFH	0.13	3
219	72614031	MFH	0.26	6
216	72604006	MFH	1.29	29
215	72604011	MFH	1.55	35
214	72604012	MFH	1.4	32
222	72613032	MFH	2.75	62
223	72613033	MFH	Inc. above	Inc. above
224	72613034	MFH	Inc. above	Inc. above
225	72613041	MFH	Inc. above	Inc. above
226	72613042	MFH	Inc. above	Inc. above
227	72613043	MFH	Inc. above	Inc. above
228	72613044	MFH	Inc. above	Inc. above
Total			13.63	413

## CC-R Zoning

6	81701045	MU	0.17	2
38	72614015	MU	0.12	1
39	72613030	MU	0.18	2
46	72614049	MU	0.48	5
47	72613039	MU	0.12	1
75	72613038	MU	0.12	1
84	81701057	MU	1.03	12
91	76708016	MU	0.22	2
98	72623013	MU	0.95	11
105	76416011	MU	0.12	1
108	81701018	MU	0.20	2
117	81701056	MU	2.44	29
153	72614013	MU	0.12	1
156	81701054	MU	0.23	2
178	72623003	MU	0.86	10
179	72623002	MU	2.83	34
Total			10.19	116

Grand Total

431

2502



**Table B-4**

**Underutilized Residential Lands by Zoning District 2006**

Map ID #	APN	General Plan	Parcel Size (acres)	Unit Potential
RE 100,000 Zoning				
207	82506016	RE	26.74	8
Total			26.74	8

RE 40,000				
133	76429013	RE	3.95	2
194	72802006	RE	8.27	5
195	77332011	RE	2.76	1
196	77332010	RE	3.80	2
197	77332012	RE	3.44	1
Total			22.22	11

R-1 20,000				
167	72834009	SFM	123.00	213
177	71209001	SFL	7.85	12
Total			130.85	225

R-1 12,000				
45	72834004	SFL	8.96	22
Total			8.96	22

R-1 9,000				
30	72607021	SFM	2.76	7
200	76721013	SFM	2.72	7
201	76721014	SFM	5.30	15
202	76721015	SFM	2.39	6
Total			13.17	35

R-1 7,000				
23	0	SFM	45.77	181
173	76424013	SFM	3.14	11
174	76424010	SFM	2.36	8
185	81719044	SFM	3.41	12
186	81719043	SFM	4.83	18
188	72609010	SFM	11.85	46
190	72609004	SFM	1.18	3

**Table B-4**

## Underutilized Residential Lands by Zoning District 2006

191	72609002	SFM	4.66	17
204	81757021	SFM	4.82	18
Total			82.02	314

R-2 3,500

57	72602014	MFL	5.05	39
142	0	MFL	9.59	74
198	76712045	MFL	1.50	11
199	76721045	MFL	2.30	17
203	81757018	MFL	3.41	26
Total			21.85	167

R-2 3,000

55	81711067	MFL	4.38	39
Total			4.38	39

Grand Total	310	821
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**Table B-5**

**Affordable Housing Unit Production 1999 – 2006**

Project Name	Project Type	For Sale/ Rental	Funding	Number of Units by Income Range		
				Very Low	Low	Moderate
1999						
Morgan Spring (MP-94-10)	Condo	FS	BMR	1	0	0
Oak Creek (MP-91-28)	Duet	FS	BMR	0	2	0
Mission Ranch (MP-94-18)	Duet	FS	BMR	0	2	0
Barrett-Chiri (MP-95-06)	Duet	FS	BMR	0	4	1
Barrett-Chiri (MP-95-06)	Duet	FS		0	0	22
Cerro Verde (MP-94-13)	Duet	FS		0	0	6
W. Edmundson-Powell (MP-95-18)	Duplex	FS	BMR	0	2	0
W. Edmundson-Powell (MP-95-18)	Duplex	FS		0	0	13
E. Main-Prime Homes (MP-96-11)	Duet	FS	BMR	0	1	0
Central Park (MP-96-13)	Duet	FS	BMR	0	2	0
Central Park (MP-96-13)	Duet	FS		0	0	8
Central-Little (MP-96-15)	Duet	FS	BMR	0	1	0
Del Monte-Green Acres (MP-96-17)	Duet	FS	BMR	0	2	0
E. Dunne-Willard (MP-96-18)	Duet	FS	BMR	0	1	0
Sunset-Warmington (MP-96-20)	Duet	FS	BMR	0	1	0
E. Main-Warmington MP-96-22	Duet	FS	BMR	0	2	0



**Table B-5**

**Affordable Housing Unit Production 1999 – 2006**

E. Main-Pan Cal (MP-96-23)	Duet	FS	BMR	0	2	0
Coyote Estates (MP-96-24)	Duet	FS	BMR	0	1	0
La Crosse Village	Apartments	R	BMR	5	0	0
La Crosse Village	Apartments	R	CDAC Bonds, FHA	0	0	45
Hacienda Mobile Estates	Mobile homes	R	RDA, ICLFA, MHP Bonds	123	0	0
Ansuini-Silver Wings	Duet	R	BMR	1	0	0
Village @ Spring Hill	Condo	R	BMR	1	0	0
Village Avante	Apartments	R	RDA, Tax Exempt Bonds, HUD	89	23	0
Terracina/USA Properties	Apartments	R	FTC	38	38	0
Westmoreland Park	Duet	R	BMR	1	0	0
Central Park	Secondary Unit	R		0	3	0
Ginger-Walton	Secondary Unit	R		0	3	0
Kendal Hill	Secondary Unit	R		0	3	0
Kendal Wood	Secondary Unit	R		0	3	0
Morgan Meadows	Secondary Unit	R		0	1	0
1999 Annual Total				259	97	95

2000						
La Grande Estates (ME-89-10)	Duet	FS	BMR	0	2	0
Rosehaven (MP-91-03)	Duet	FS	BMR	0	3	0
Rosehaven (MP-91-03)	Duet	FS		0	0	7
Heritage Greens (MP-93-07)	Duet	FS	BMR	0	2	0
Central-Central Park (MP-96-13)	Duet	FS	BMR	0	1	0

**Table B-5**

**Affordable Housing Unit Production 1999 – 2006**

Central-Central Park (MP-96-13)	Duet	FS		0	0	7
Sunset-Warmington (MP-96-20)	Duet	FS	BMR	0	2	0
E. Main-Warmington (MP-96-22)	Duet	FS	BMR	0	3	0
E. Main-Pan Cal (MP-96-23)	Duet	FS	BMR	0	2	0
Coyote Estates (MP-96-24)	Duet	FS	BMR	0	2	0
Guthrie (MP-97-04/98-01)	Duet	FS	BMR	0	1	0
White Cloud-Oak Creek (MP-97-20)	Duet	FS	BMR	0	1	0
Spring-Malone (MP-97-22)	Duet	FS	BMR	0	2	0
Cochrane-Coyote Ranch (MP-97-25)	Duet	FS	BMR	0	1	0
Barrett-Warmington (MP-97-27)	Duet	FS	BMR	0	1	0
Heatherwood-DiConza (MP-98-06)	Duet	FS	BMR	0	1	0
Nina Lane-Doan (MP-98-09)	Duet	FS	BMR	0	1	0
Mission Ranch (MP-98-13)	Duet	FS	BMR	0	4	0
Heatherwood	Secondary Unit	R		0	1	0
2000 Annual Total				0	30	14

2001						
San Benito-The Villas (MP-93-04)	Duet	FS	BMR	0	4	0
San Benito-The Villas (MP-93-04)	Duet	FS		0	0	15
Villanova (MP-93-08)	Duet	FS	BMR	0	6	0

**Table B-5**

**Affordable Housing Unit Production 1999 – 2006**

Shariel Park (MP-93-13)	Duet	FS	BMR	0	2	0
Mission Ranch (MP-94-18)	Duet	FS	BMR	0	3	0
Watsonville-Old Orchard (MP-96-19)	Duet	FS	BMR	0	2	0
Watsonville-Old Orchard (MP-96-19)	Duet	FS		0	0	14
Del Monte- Prestigious (MP-97-17)	Duet	FS	BMR	0	2	0
Del Monte- Prestigious (MP-97-17)	Duet	FS		0	0	4
White Cloud-Oak Creek (MP-97-20)	Duet	FS	BMR	0	1	0
Coyote Estates (MP-97-25)	Duet	FS	BMR	0	2	0
Mission Ranch (MP-98-13)	Duet	FS	BMR	0	3	0
Central-Central Park (MP-98-30)	Duet	FS	BMR	0	3	0
Capriano (MP-98-32)	Duet	FS	BMR	0	2	0
McLaughlin-Jones (MP-00-03)	Duet	FS		0	0	5
Barrett Oaks	Condo	R	BMR	1	0	0
Villa Ciolino	Apartments	R	RDA, FSLITC	40	2	0
Glen Ayre	Secondary Unit	R		0	1	0
2001 Annual Total				41	33	38

**2002**

Mission Ranch (MP-98-13)	Duet	FS	BMR	0	2	0
Spring-Malone (MP-98-17)	Duet	FS	BMR	0	2	0



**Table B-5**

Affordable Housing Unit Production 1999 – 2006

E. Dunne-O'Connell (MP-98-24)	Duet	FS	BMR	0	2	0
Central-Central Park (MP-98-30)	Duet	FS	BMR	0	2	0
Capriano (MP-98-32)	Duet	FS	BMR	0	4	0
Capriano (MP-98-32)	Condos	FS		0	0	15
E. Dunne-Trovare	Duet	FS	BMR	0	2	0
Llagas/Delco-Sheng (MP-99-24)	Duet	FS	BMR	0	2	0
Llagas/Delco-Sheng (MP-99-24)	Duet	FS		0	0	13
Hale-Sheng	Duet	FS	BMR	0	1	0
Capriano	Secondary Unit	R		0	10	0
Trovare	Secondary Unit	R		0	3	0
The Villas	Duet	R	BMR	2	1	0
Saint James Place	Duet	R	BMR	6	0	0
2002 Annual Total				8	31	28

2003						
Capriano (MP-98-32)	Duet	FS	BMR	0	2	0
E. Dunne-Trovare (MP-99-16)	Duet	FS	BMR	0	2	0
Cochrane-Coyote (MP-99-22)	Duet	FS	BMR	0	2	0
Llagas-Delco (MP-99-24/00-10)	Duet	FS	BMR	0	3	0
Hale-Sheng (MP-99-31)	Duet	FS		0	0	6
Central-Warmington (MP-00-12)	Duet	FS	BMR	0	2	0
Central-Central Park (MP-00-18)	Duet	FS	BMR	0	2	0
Sunnyside-Sunny Oak (MP-00-19)	Duet	FS	BMR	0	2	0

**Table B-5**

**Affordable Housing Unit Production 1999 – 2006**

Mission Ranch (MP-00-21)	Duet	FS	BMR	0	2	0
Capriano	Secondary Unit	R		0	1	0
Trovare	Secondary Unit	R		0	11	0
2003 Annual Total				0	29	6

2004						
Central-Warmington (MP-00-12)	Duet	FS	BMR	0	2	0
E. Dunne-Monterey Bay (MP-00-29)	Duet	FS	BMR	0	1	0
Capriano (MP-02-03)	Duet	FS	BMR	0	3	0
Capriano (MP-02-03)	Duet	FS		0	3	0
Cory-San Pedro Ptnrs. (MP-02-07)	Duet	FS	BMR	0	1	0
Cory-San Pedro Ptnrs. (MP-02-07)	Duet	FS		0	0	1
Watsonville-South County Housing (MP-02-26)	SF Attached	FS	RDA	0	3	7
Capriano	Secondary Unit	R		0	3	0
Ginger Way	Secondary Unit	R		0	1	0
Trovare	Secondary Unit	R		0	1	0
Jasmine Square	Apartments	R	RDA, TCAC	0	72	0
2004 Annual Total				0	90	8

2005						
Capriano (MP-02-03)	Duet	FS	BMR	0	3	0
Capriano (MP-02-03)	Duet	FS		0	0	2
Cory-San Pedro Ptnrs. (MP-02-07)	Duet	FS	BMR	0	2	0



**Table B-5**

Affordable Housing Unit Production 1999 – 2006

Cory-San Pedro Ptnrs. (MP-02-07)	Duet	FS		0	0	2
Mission Ranch (MP-02-15)	Duet	FS	BMR	0	5	0
Mission Ranch (MP-02-15)	Duet	FS		0	0	5
Morgan Lane South (MP-02-19)	Duet	FS	BMR	0	2	0
Morgan Lane South (MP-02-19)	Duet	FS		0	0	3
Quail Creek (MP-02-24)	Duet	FS	BMR	0	2	0
Quail Creek (MP-02-24)	Duet	FS		0	0	2
Central Park (MP-02-25)	Duet	FS	BMR	0	2	0
Central Park (MP-02-25)	Duet	FS		0	0	2
Peet-Lupine Invest. (MP-02-12)	Duet	FS	BMR	0	2	0
Peet-Lupine Invest. (MP-02-12)	Duet	FS		0	0	2
Cochrane – Coyote (MP-02-14)	Duet	FS	BMR	0	2	0
Cochrane – Coyote (MP-02-14)	Duet	FS		0	0	2
E. Dunne-Delco (MP-02-06)	Duet	FS	BMR	0	1	0
E. Dunne-Delco (MP-02-06)	Duet	FS		0	0	1
Capriano	Secondary Unit	R		0	6	0
Morgan Station	Secondary Unit	R		0	2	0
Murphy Ranch	Apartments	R	RDA, TCAC, CalHFA, HOME	49	39	12
2005 Annual Total				49	68	33



**Table B-5**

**Affordable Housing Unit Production 1999 – 2006**

2006						
Tuscany Meadows	Secondary Unit	R		0	2	0
Royal Court	Apartments	R	RDA, HOME	48	7	0
Capriano	Secondary Unit	R		0	2	0
Pear Tree Estates	Secondary Unit	R		0	1	0
2006 Annual Total				48	12	0
1999 – 2006 Total				405	390	222

